

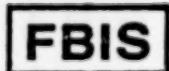
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15 May 1985

# USSR Report

WORLD ECONOMY AND INTERNATIONAL RELATIONS

No. 1, January 1985



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15 May 1985

## USSR REPORT

### WORLD ECONOMY AND INTERNATIONAL RELATIONS

No 1, January 1985

Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language monthly journal **MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA** published in Moscow by the Institute of World Economy and International Relations, USSR Academy of Sciences.

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## ENGLISH SUMMARIES OF MAJOR ARTICLES

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 85 (signed to press 17 Jan 85) pp 158-159

[Text] The article by V. Zagladin "Leninism and Present Epoch" is dedicated to V.I. Lenin's legacy which has for decades influenced and is still influencing the entire world. The article contains a comprehensive analysis which indicates that the alignment of world forces, the basic contradictions and problems of the liberation struggle are deeply rooted in the time when the Leninists made the first breach in the world-wide system of imperialist exploitation. It focuses on the need for conscious and purposeful activities on the part of the working class and all working people, on the role of revolutionary theory which assumes great importance being a prerequisite for social progress. The article outlines the lofty feat of Lenin who understood the particulars and nature of the new epoch and the vital needs of social development in new historic conditions. Lenin resolutely defended creative Marxism and crippled opportunism and reformism both in Russia and in the international arena. The fundamental ideas of Marxism were elaborated by Lenin with due consideration for the new historical epoch. He foresaw the coming drastic revolutionary changes in society and realized that his task was to bring his theoretical conclusions home to the broad masses of the working people. The author focuses on V.I. Lenin's role as a scientist and politician who headed the first in the world history victorious socialist revolution. Lenin's teaching is global and epoch-making, it is convincing proof of the coincidence of the aims and essence of socialism to the vital interests of entire humanity. This work shows how V.I. Lenin opened the main route leading to social progress in the epoch of transition from capitalism to socialism and was the first to put forward and substantiate the present-day concept of the world revolutionary process. The author concentrates on the scientific validity and methodological maturity of Lenin's teaching which makes possible the correct forecast of social development, indicates the ways for mapping out a flexible policy which takes into account all new circumstances and ensures the stability of the class revolutionary principles. The article outlines the importance of the ideological struggle. It also lays special emphasis on the need to develop the Marxist-Leninist theory.

Why did the Soviet Union not only withstand in the fierce struggle but win a world-wide victory over German Facism? This question has been posed for 40 years in the West by historians, politicians and all kinds of sovietologists. A. Orlov in his article "Sources of Our Victory and Bourgeois Historiography"

outlines that the Marxist-Leninist historiography has long since answered this question. He quotes documents of the CPSU and Soviet Government, works of Soviet historians about the past war which profoundly and convincingly reveal the sources of strength and power of the USSR which helped to defeat German fascism. The author refutes the claims of bourgeois historiography which try to misinterpret the roots of the Soviet victory and depict it not as a logical consequence of the advantages of the socialist system but as a conglomeration of casual circumstances in the belief that victory can be won in a new war against the socialist countries if "past mistakes" are avoided. The article makes it clear that the USSR gained victory thanks to the heroism of the Soviet Army, the modern military equipment produced by the heroic Soviet working class, the superiority of the art of war, the high level of which was acknowledged in the war years by many well-known Western military experts. The author refutes the version that the Soviet victory over German facism was allegedly due to the help of the West and stresses that many prominent political and military figures of the West in their time acknowledged that the German defeat on the Eastern front was due to the help of the West and stresses that many prominent political and Eastern front was due to the heroism and blood of the Soviet Army. The article focuses attention on the socialist economy which was able to provide the front will all necessary to wage war. It centers on the role of the CPSU and the Soviet government which making the best use of the advantages of the socialist way of production, the planned economy, moral and political unity of the Soviet people reconstructed in the shortest period of time the countries' economy to meet its defense needs. The author arrives at the conclusion that the victory of the USSR was prepared by its entire historical development, the possibilities inherent in the socialist system. In the course of socialist construction, industrialization of the country and the collectivization of its agriculture the Soviet people under the leadership of the CPSU built a powerful economic, military and technical potential which predetermined the outcome of the war.

I Vanin and V. Golubkov in the article "UN Convention on the Law of the Sea--Time of Important Decisions" report that in August 1984 eight Western countries under U.S. pressure signed the so-called mini-treaty aimed at a one-sided seizure of the sea-bed resources. The afore said mini-treaty counters with the UN Convention on the Law of the Sea. The Convention signed by 135 countries and ratified by 13 is once again undermined by U.S. Subversive actions. The article examines the agitation around the Convention at a time when the final term of its signing is expiring and the struggle by the overwhelming majority of states against U.S. imperial diplomacy, for the realization of the legal measures for utilizing the Ocean's resources in the interests of entire humanity is gaining momentum.

The West German economy has been placed under heavy strain at the beginning of the 1980's by widespread recession, a slowdown in capital investments, mounting unemployment, acute structural imbalances. Despite the certain symptoms of economic recovery the remaining critical situation constitutes pressures for change in operation tools in the state monopoly regulation. I. Basova, L. Volodin, S. Sokol'skiy, V. Shenayev in their article "Federal Republic of Germany: Dangerous Trends" present the explanation of the current Economic and political situation, accounting for the possible implications of the now observed crisis for domestic and international position of the country. The disenchantment with Keynesian policies intensified the thrust of



Neoconservative prescriptions, becoming the important foundation of the contemporary economic policy. The state has cut drastically budget spending for the social needs in order to spur up private investments, affecting the interests of the working class. With Conservative parties coalition at power the domestic and foreign policy have taken a negative turn which is especially threatening under the conditions of the aggravation of the two social systems relations. The Kohl-Genscher government tries to make the country the obedient ally of the U.S.A., sacrificing the national security interests. The deployment of American medium-range missiles on the FRG territory is the evidence of the fact. At the same time Bonn strives to use the relationship with Washington in order to strengthen the West German position in the EEC. Assessing these negative trends the authors examine the democratic alternative to these developments, expressed mainly in trade unions economic and political platform.

In the epoch of capitalism and its highest stage--imperialism clericalism takes a direct part in capitalist economy being an owner of land and other property a wealth dating back to feudalism. "The Vatican. Behind the Scenes of Economy" is the subject of N. Koval'skiy's article dealing with the capital investments Roman Catholic Church of the industrial companies, banks etc. The profits derived from such investments are turned into new profits. The author emphasizes that monopoly capital contributes to the financial and business activities of clericalism, enhances its economic potential, affords additional possibilities to influence policy and public life. The support by big business of such activities of religious organizations with the aim of strengthening the Right wing of the Church evokes sharp protests. Quite a number of believers and the clergy consider it to be incompatible with pastoral aims. Besides that the Church's economic activities are exposed to the influence of the capitalist market with its slums, inflation and structural disproportions, such as the power and raw material crises. The author examines the Vatican's financial and business mechanism in the 1940's-1980's, its growing economic dependence upon American monopolies, penetration into the developing countries and draws the conclusion that the ties between the Vatican and foreign capital are becoming stronger. Thus the Vatican and the Roman Catholic Church while being one of the factors of world economy at the same time exert a reverse influence on the catholic world. The author stresses the existence of an alliance between a part of the clerical upper strata and foreign capital though there are contradictions between allies who often become rivals. However the common economic interests cement their relations and develop a joint stand on major world issues.

V. Yevgen'yev's article "Along the Road of Independent Development and Social Progress" is devoted to the 30th anniversary of the Algerian revolution. It contains a historical review of the national-liberation struggle in 1954-1962, covers the major aims of the Algerian revolution, reveals the achievements of the Algerian people in the socio-economic sphere in the years of independence. It casts light on the country's foreign policy course in the post-colonial period. The author emphasizes that the revolutionary explosion on November 1, 1954 culminated the uninterrupted struggle waged by the Algerian people for its liberation since the very first days of colonization. The article gives an idea of the principal stages of the national-liberation struggle and the revolutionary activity of the National Liberation Front which has become the proclaimer of the will of practically all strata of the Algerian society. It exposes the tactics of the French colonial authorities which tried with the NATO countries' support, primarily the U.S.A. to drown in blood the liberation struggle of the Algerian people. The article emphasizes that the national unity of the

Algerian people was formed in the course of the liberation struggle. It drew support in its just struggle from the international solidarity of all progressive world forces. Many developing and socialist countries, the USSR included, render it political and material aid. It is pointed out that one of the principal features of the revolution was the rejection of capitalism as a social system and striving to progressive social transformations that predetermined the socialist choice of the state as laid down in all its programme documents. The article makes it clear that even after the victory of the revolution the imperialist forces continue their plotting against the Algerian people, doing their best to rob them of everything won in the bloody battle. With this aim in view they aggravate the situation in South-West Africa. But Algeria is not isolated in its fight and, as the years of struggle for its independence have shown, can always rely on its friends--the forces of peace and progress, first of all the socialist countries.

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#### ZAGLADIN ARTICLE ON IMPORTANCE OF LENINIST LEGACY

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 85 (signed to press 17 Dec 84) pp 3-24

[V. Zagladin article: "Leninism and the Contemporary Era"--capitalized words published in boldface in original]

[Text] Thousands of versts separated him from the capitals, from the country's industrial centers, where at that very moment the class activeness of the proletariat was gathering momentum like an avalanche, while at the same time heated debates were flaring up over how to react to the struggle and what stand the Russian Social Democrats should take in the new conditions. But as far as the 20-year old political exile was concerned, it was as if the thousands of versts of distance did not exist at all. He was in distant Siberia--but in St. Petersburg his books (under the pseudonym "Vladimir Ilin") and articles (some of which were signed "Tulin") were appearing in print. These works immediately became the focus of public discussions, influencing their course, correcting their direction....

During the last days of the old, 19th century (or in the very first days of the new, 20th century--this has not been precisely established) Vladimir Ulyanov completed his article "The Draft Program of our Party," which contained lines such as the following: "And so, in our opinion, the component parts of the Russian Social Democratic Workers Party Program should be as follows: ...Directions for the class struggle of the proletariat, as the basis of our movement;... Directions for the ultimate aims of the Social Democratic workers movement, for its aspiration to win political power for the fulfillment of these aims, for the international nature of the movement..."<sup>1</sup>

Then, in the final days of the last century, this article was just another work as far as its author was concerned, a work which continued and in some ways generalized his previous works. Incidentally, it was first published only in 1924, in the first volume of the "The Collected Works of N. Lenin" (V. Ulyanov). Today, when the 20th century is already drawing to a close, "The Draft Program of Our Party" is read totally differently. It is regarded as a principled political manifesto--and not simply a manifesto of the new century, but also of a new historical era.

Yes, this is so. Because, without any exaggeration, the course of world history over the last 84 years of our century has progressed precisely in line with those ideas which Vladimir Ulyanov--Vladimir Ilich Lenin--proclaimed at the turn of the centuries. "Lenin's legacy," writes K.U. Chernenko, "has had and continues to have a great influence on the whole world, on the whole era in which we live. Take a look at the present-day distribution of world forces, at the main world contradictions, at the main problems of the liberation struggle. They have their roots and their source in those unforgettable years when Lenin and the Leninists made the first breach in the world system of imperialist exploitation."<sup>2</sup>

#### On the Role of Revolutionary Ideas in the Contemporary Era

The historical role of Leninism--the great revolutionary science--can be fully understood and evaluated just by considering the specific features of the present historical era, when "mankind is casting off the last form of slavery: capitalism or hired slavery."<sup>3</sup> But a most important element of these specific features lies in the fact that at the given vital, qualitative turning point in history an important role is played by the conscious activity of the people and accordingly, by the ideological component of social development. This is connected with a series of circumstances, the chief of which are as follows:

1. The process of liquidating the capitalist system is in many ways developing differently from all the preceding transitions from one system to another.

This is indeed so. At all the preceding stages of history, the transition of political power from one class to another has been the natural completion of socioeconomic transformations which have developed spontaneously over the course of a long period of time. Within the heart of the old system (slavery and feudalism) there gradually appeared new productive forces which mainly came into being already as the property of the new exploitative class (the feudal lords, and then the capitalists). In other words, new production relations were already taking shape even under the conditions of the political domination of the "old" exploiters. The later revolution simply brought the political system in line with the existing new system of ownership and economic power in society. "Once they had won power," noted K. Marx and F. Engels in the "Communist Party Manifesto," "all previous classes strove to consolidate the position they had already acquired in life by subordinating the whole of society to conditions guaranteeing their means of appropriation."<sup>4</sup>

The process of making the transition from capitalism to socialism, on the other hand, follows a different path. The new productive forces that have appeared and that are furiously developing, and which by their very essence are of a social nature, that is, they already constitute productive forces adequate for socialism, continue to remain in the hands of the old ruling class--the bourgeoisie. And, as before, the workers class is deprived of ownership of the means of production. In other words, new production relations are not taking shape within the capitalist system. As the experience of every previous socialist revolution shows, nowhere and at no time has the workers class succeeded in seizing productive forces--creating new production relations--before the victory of socialist revolution, before the seizing of power.

"The proletariat..." K. Marx and F. Engels continued their analysis, "can win social productive forces only by destroying its own present means of appropriation, and thereby also the entire means of appropriation that has existed until this time.... It must destroy everything that until this time has protected and ensured private ownership."<sup>5</sup>

It is clear that such a system of liquidating the old social system is far more complex than that which we witnessed with the transition from slave ownership to feudalism, and from feudalism to capitalism. UNDER THE NEW CONDITIONS, THE REVOLUTIONARY PROCESS CANNOT DEVELOP SPONTANEOUSLY--HOLDING ALL THE POWER IN THE ECONOMY AND IN POLITICS, THE MONOPOLISTIC CAPITALISTS DO AND WILL CONTINUE TO DO EVERYTHING IN THEIR POWER TO PREVENT SOCIALIST TRANSFORMATIONS, AND TO DEPRIVE THE WORKERS CLASS OF THE OPPORTUNITY TO BECOME THE RULING CLASS. And this means that the transition from capitalism to socialism can take place only as a result of protracted, consciously developed, and consciously implemented actions on the part of the workers class and its allies, actions aimed at overthrowing the old system and then forming new socioeconomic relations.

"In order to conquer capitalism completely," V.I. Lenin emphasized, "first, the exploiters must be overcome and the power of the exploited upheld--the task of overthrowing the exploiters by revolutionary forces; second, the task--constructive--of building new economic relations and providing an example of how this is done. These two tasks of implementing socialist revolution are inseparable and distinguish our revolution from all preceding revolutions, in which there was quite a strong destructive aspect."<sup>6</sup>

Naturally, for the workers class to be able to fulfill the aforementioned tasks, it must first prepare itself well for this; that is, be aware of the fact that it is a class, then cognize and master its historic mission, and also cultivate in itself both the will and readiness for struggle; finally, it must organize itself in order to overcome its strong and dangerous enemy, whose will and readiness for resistance are immeasurably stronger than that of preceding exploitative classes. Earlier it was a question of "fellow rivals" who, once they had cleared up relations between themselves and had, so to speak, exchanged places, were able to "make up" and then merge with one another to a certain extent--on a new basis. Now, however, it is a question of antagonistic classes: The victory of the proletariat will inevitably lead to the historic ruin of the bourgeoisie as a class. And it is well aware of this.

In the same way, the proletariat cannot fulfill all the complex tasks facing it without having an ideology which would help it to cognize and transform the existing world and itself at the same time. It is no accident that K. Marx and F. Engels, and V.I. Lenin after them, always drew attention to the fact that the class struggle of the proletariat has three basic forms--economic, political, and, as they expressed it, theoretical, that is, ideological.

2. The process of making the transition from capitalism to socialism, as distinct from previous transitional stages in the historical process, is taking place on a world-wide scale. Hence its important difference.

Indeed, the transition from slave ownership to feudalism, and then from feudalism to capitalism, took place on far from a worldwide scale. At those stages of social development, history was still of a local nature, and, as a rule, social processes developed isolated in various regions of the world and did not comprise a single world system of transformations.

Today the transition from capitalism to socialism is taking place on a worldwide scale and in a single historical period. Virtually all countries and peoples at the most diverse stages of social development and socioeconomic and culture progress are being drawn into the process of this transition. Obviously, this fact gives rise to an imbalance in the revolutionary process, on the one hand, and a striking diversity of forms and methods for making the transition from capitalism to socialism, on the other. In some cases it is a question of struggling for socialism in highly developed capitalist states; in others--a transition to socialism in countries with an average level of development, where contemporary capitalist and precapitalist relations are intertwined; and in others--a direct leap from precapitalist social structures to socialism.

It is clear that such a diversity of stages and forms of social development presupposes particular complexity in the elaboration of the strategic and tactical principles of the class struggle; and hence, the need to pay particular attention to theory and ideology and to continuously creatively develop them while taking into account the requirements of different world zones and regions and of the various stages of the revolutionary movement.

The international nature of the transition from capitalism to socialism also signifies the following: Capitalism organizes its resistance to the offensive of the workers class and its allies not only in each country individually, but also in the international arena as a whole. In other words, it is not only a question of the universal, worldwide nature of the transition from capitalism to socialism, but also, naturally, a question of the universal, worldwide nature of the resistance offered by imperialism and capitalism to this process.

It is clear that, for the workers movement, the international nature of the transition from capitalism to socialism presupposes the necessity to thoroughly understand the significance of the international factor in the class struggle and the importance of international solidarity between all detachments of the revolutionary process. Hence the special role played by internationalism not only in politics, but also in ideology. Internationalist ideology is called upon to firmly withstand the ideology of nationalism and chauvinism and enmity between peoples propagated by imperialism.

3. The special role of the ideological component of the revolutionary process in our era is also determined by the essence of the new system replacing capitalism--socialism.

All presocialist stages in mankind's history have been characterized by the fact that the social process has flowed spontaneously within their framework and has frequently led to results which have not corresponded to those intentions which have guided classes and individuals in their actions.



Socialism, on the other hand, is that stage in social development when, to quote Engels, "people will begin to themselves carve their own history in a state of total awareness" and "the social causes they have set in motion will increasingly have the effects which they desire."<sup>7</sup>

In other words, socialism triumphs as a result of conscious effort on the part of the workers class and its allies and develops on the basis of activities consciously founded on scientific theory and ideology conducted by the people--the workers of the new society. It is clear that under these conditions the role of theory and ideology, and of the ideological component of social development, inevitably sharply increases.

IN THE CONTEMPORARY HISTORICAL ERA, THE AWARE, PURPOSEFUL ACTIVITIES OF THE WORKERS CLASS AND THE WORKING MASSES IN GENERAL AND, CONSEQUENTLY, REVOLUTIONARY THEORY, ACQUIRE EXCEPTIONAL SIGNIFICANCE AS A MOST IMPORTANT FACTOR AND, IF YOU LIKE, AS A PREREQUISITE OF PROGRESS IN THE CAUSE OF SOCIAL PROGRESS.

#### The Ideas and Causes Determining the Face of the New Era

The tenet of Marxist-Leninist science which states that, as a rule, mankind sets itself tasks which it can fulfill is well known. The task of society's socialist transformation was set by mankind's progressive minds at a time when the process of creating the objective prerequisites for such a transformation was beginning to gather the necessary force. What is also historically natural is the fact that it was precisely in this period that a new, revolutionary teaching arose--Marxism--which became the banner of the struggle for socialism and substantiated the program strategy and tactics of this struggle.

Having explained the history of the origin of the capitalist mode of production and revealed its essence, K. Marx and F. Engels researched its internal contradictions and as a result were able to show the way to liquidating the problems of the working man, as well as the causes of these problems--the way to destroying the domination of private ownership. At the same time they also explained which concrete social force is capable of leading mankind along this path--to socialism. This force is the proletariat--a class deprived of the ownership of means of production and of living by means of selling its manpower.

Marxism formulated a triune task, the fulfillment of which will ensure man's liberation from the oppression of private ownership exploitation as is stated in The Communist Manifesto. This task consists of the following: "...forming the proletariat into a class, overthrowing the domination of the bourgeoisie, and winning political power for the proletariat."<sup>8</sup>

Throughout their entire lives K. Marx and F. Engels did everything to help the workers class become aware of this task and to develop a struggle to fulfill it. What they achieved is truly great. But K. Marx departed this life in 1883 and F. Engels in 1885--just when new horizons were beginning to open up before the workers class.



"Formidable eras of historical turning points," wrote V.V. Vorovskiy, "give birth to people who seem to embody the soul of what has been experienced. These people are the focus and the bearers of what is new, impending, and lofty, which cuts a path for itself by struggle and wins the right to exist. Just such a person in our era of the transition from capitalism to socialism is Vladimir Ilich Ulyanov-Lenin,"<sup>9</sup>

V.I. Lenin's great creative feat, as both a scientist and a politician, primarily lay in the fact that he THOROUGHLY UNDERSTOOD THE PECULIARITIES AND NATURE OF THE NEW HISTORICAL ERA, AND ALSO THE VITAL REQUIREMENTS OF SOCIAL DEVELOPMENT IN THE NEW HISTORICAL CONDITIONS. Literally from his very first steps as a revolutionary, Lenin never tired of repeating: The old era of the development of capitalism, which was characterized by the domination of free market competition and the "peaceful" development of the workers movement, is over. He characterized the new era just beginning as "when, as Marxists generally recognize the objective conditions for the collapse of capitalism have already matured and when the masses of the socialist proletariat exist."<sup>10</sup>

However, the situation at that time was taking shape in such a way that the Social Democratic movement in Western Europe--that is, precisely those people who should have been fully engaged in resolving the new theoretical and political problems--not only did not do this, but basically totally abandoned the soil of revolutionary Marxism and embarked upon a path of revising its basic tenets. These leaders, Lenin noted, "did not teach the proletariat any new methods of struggle; they only moved backwards... advocating not the theory of struggle to the proletariat, but the theory of compliance--compliance with regard to the most evil enemies of the proletariat, the governments and bourgeois parties which never tire of seeking new means of persecuting socialists."<sup>11</sup>

V.I. Lenin's great historical service lay in the fact that he DETERMINEDLY WORKED TO DEFEND CREATIVE MARXISM AND DEALT A CRUSHING BLOW TO OPPORTUNISM AND REFORMISM BOTH IN RUSSIA ITSELF AND IN THE INTERNATIONAL ARENA. Lenin completely restored the truly revolutionary nature of Marxist teaching and turned it once again into an invincible weapon of the class struggle and an instrument for effectively restructuring the world.

"Since Lenin," wrote P. Togliatti, "we have acted in a completely different way because we now have a new understanding of the reality around us and have penetrated its essence as we never before managed to do... Lenin has given back Marxism its creative nature, liberated it from the pedantism of pseudo-materialist, economic, and positivist interpretations of the teachings of Karl Marx, and thereby made Marxism what it must be--the leadership of revolutionary action."<sup>12</sup>

Here the important principled feature of V.I. Lenin's approach to the defense of revolutionary Marxism, which for him was not defense but a constant offensive, should be emphasized.

This means that he did not reduce the matter simply to confirming and repeating the theses of K. Marx and F. Engels, to rebuffing their adversaries and distorters. For Lenin, the defense of Marxism not only signified exposing and refuting the false views of opportunists, but also, as a most essential part of the cause--further developing theory and thereby drawing fundamentally new political, strategic, and tactical conclusions.

Take any work by V.I. Lenin--a solid book or a short article--and you will be convinced: They were all sharply polemic in nature and, at the same time, every one of them also contained a thorough analysis of the new phenomena in social life and the new objective conditions of the class struggle, and the most serious practical conclusions which advanced revolutionary theory and revolutionary practice.

DEVELOPMENT OF THE BASIC IDEAS OF MARXISM AS APPLICABLE TO THE CONDITIONS OF THE NEW HISTORICAL ERA--IN THIS ALSO LIES V.I. LENIN'S GREAT CREATIVE FEAT.

Whatever section of Marxist teaching one takes--everywhere Lenin made his own original and, at the same time, profoundly Marxist contribution. For him, the development of the theory of Marxism was a continuation of the work of Marx and Engels, and not a break with their teaching. "We, Lenin clearly stated, "stand firmly on the soil of Marxist theory; this theory has turned socialism for the first time from a utopia into a science, established firm foundations for this science, and mapped out the path which we must tread while further developing this science and elaborating it in every detail."<sup>13</sup> At the same time he added: "We by no means regard Marxist theory as something completed and inviolable; on the contrary, we are sure that it simply laid the cornerstone of that science that socialists MUST develop further in all directions if they do not wish to lag behind life."<sup>14</sup> And all V.I. Lenin's ideas and conclusions, based as they are on the unshakable foundation of Marxism, are the natural creative continuation and development of Marxism.

It is worth mentioning this primarily because today, those who claim to develop Marxist theory in actual fact sometimes renounce its basic tenets and replace it with eclectic doctrines borrowed from various bourgeois ideological schools.

While developing his theoretical discoveries, Lenin, of course, never ignored statistics and conclusions offered by scientists and politicians of different ideological persuasions to his own. It is sufficient to look at this "Textbooks on Imperialism," "Philosophical Textbooks," or the manuscripts under the general title of "Marxism of the State." Lenin always strove to utilize the whole of that useful empirical material which had been built up by bourgeois science. He critically processed all its basic conclusions, sarcastically refuting its pompous trivialities dictated by class narrowmindedness and hostility toward the proletariat and its ideals, but also making use of every consideration and observation worthy of attention. However, for Lenin, all these considerations and observations were not a substitute for Marxism, but material for its further development.

It is particularly important to emphasize that V.I. Lenin never regarded his theoretical work as an aim in itself, as an abstract intellectual game. For him, theory was necessary in accordance with the behests of Marxism, for struggle, and not only for elucidation, but also for the revolutionary transformation of the world. It is precisely for this reason that in any work, even the most complex theoretical work, written by V.I. Lenin, one not only finds a thorough analysis of various problems of philosophy, political economy, or scientific communism, but also practical conclusions and concrete advice for the workers movement and its revolutionary vanguard.

Clearly aware of the special features of the new historical era just beginning, Lenin devoted particular attention to the problem of the correlation between theory and practice.

His principled approach to the problem was the same as that of K. Marx and F. Engels. In view of the approaching beginning of radical revolutionary transformations in society, however, V.I. LENIN REGARDED HIS MOST IMPORTANT TASK AS BEING THAT OF CONVEYING THE THEORETICAL CONCLUSIONS HE HAD DRAWN TO THE BROAD MASSES OF THE WORKERS CLASS AND THE WORKING PEOPLE. It is far from an accident that, even in his very first works, Lenin clearly raised the issue of the necessity--particularly under the new historical conditions--of firmly uniting Marxism with the workers movement. He regarded it as a great sin on the part of the opportunists that they basically separated one from the other, thereby depriving the workers movement of its ideological basis. Lenin regarded a great task of revolutionary Communists as being that of introducing revolutionary awareness in the masses while forming a strong fusion of ideological integrity and practical action. "V.I. Lenin," noted Gus Hall, "had a profound understanding of the laws of objective processes, but he became a great revolutionary because he was a real master in the art of using these objective processes to stimulate, accelerate, and develop revolutionary events,"<sup>15</sup>

The first fruit of Lenin's efforts to forge indissoluble unity between revolutionary theory and practice, and Marxism and the workers movement was his formation of the Russian Social Democratic Workers Party--the first truly revolutionary, proletarian, Communist Party in history--a party capable of leading the workers class in its struggle within the framework of capitalism, breaking out of this framework, and achieving the victory of socialist revolution.

V.I. Lenin's contribution to the formation of the international communist movement, which came into being on the revolutionary wave raised by the October Revolution, is also unforgettable. There is not one Communist Party formed in those fiery years which would not have felt Lenin's inspiring influence, and which would not have received comprehensive help and determined support from him.

"Under the banner of Leninism, the revolutionary movement in the majority of countries has risen to a new level. Communist parties have been formed and strengthened, and the international communist movement has become a truly worldwide, most influential political force in the contemporary era,"<sup>16</sup> The participants in the 1969 International Conference of Communist and Workers

Parties unanimously noted in their address "on the 100th anniversary of the birthday of Vladimir Ilich Lenin." Finally, Lenin's greatest historical feat as both a scientist and a politician lay in the fact that, having led the first victorious socialist revolution in the history of mankind, he brought about the victory of socialist relations in our country. Precisely under his leadership the workers class of Russia, for the first time in the annals of mankind, set about carrying out the second and main part of its historic mission--the formation of communist society. The October Socialist Revolution and the beginning of the construction of a new, socialist system in our country crowned the revolutionary creativity of Vladimir Ilich Lenin. He has firmly and eternally gone down in history as the father of the new historical era--the era of the transition from capitalism to socialism on a worldwide scale.

#### The 20th Century--The Century of the Materialization of the Ideas of Leninism

Does everything that Vladimir Ilich Lenin did have significance for a certain stage only, or for an entire era? In other words, has his creativity remained the property of his time alone, or does it embody the essence of our era and determine the main substance of our century?

Opponents of Leninism, unable to deny V.I. Lenin's importance as the father of socialism and the founder of the first socialist state, nevertheless deny the global nature of his contribution to the contemporary historical process and the permanent significance of his ideas for our time as a whole. They declare Leninism to be either a purely Russian Phenomenon or a doctrine that has already outlived its age.

One can advance a mass of logical objections to all these arguments, and such objections have long since been formulated in numberless works by Soviet and foreign Marxists. However, one feels that the chief most weighty and convincing argument in favor of the fact that Leninism is not a regionally or historically limited phenomenon but a global and epochal one is provided by the reality of our age itself.

K. Marx and F. Engels always dreamed of seeing the fruits of their teachings transformed into reality with their own eyes. They did everything in their power for this to happen. However, they nevertheless did not succeed in seeing the triumph of this teaching. The great happiness of not only being the organizer of the victory of his revolutionary ideas, but also a witness of their triumph, fell to the lot of V.I. Lenin. He was able to see with his own eyes how the program he had formulated in his works written during the days of the birth of the 20th century was implemented in reality, and how it materialized.

Speaking of the materialization of the ideas of Leninism, what we primarily have in mind, of course, is real socialism, that is, the world socialist system and the socialist community of states. "Practice--the results of struggle, the inspiring historic achievements of the Soviet Union, the formation of the world socialist system, and the dynamic development of our countries--is brilliant proof of the correctness of Lenin's teaching....,"<sup>17</sup>



Socialism, which in V.I. Lenin's time was represented by only one country, has triumphed today in many countries in various parts of the world. It is a well-known fact that today there are innumerable critics of socialism. What weaknesses and shortcomings they ascribe to our society...! Unable to deny the reality of the existence of socialism and its indisputable successes in many spheres of life, they do their utmost to prove that, in the main, socialism has supposedly not altered the fate of man and that, in this respect, it is not a genuinely new society or more progressive than capitalism. "Imperialists and their accomplices," it was noted at the 26th CPSU Congress, "systematically conduct hostile campaigns against the socialist countries. They blacken and distort everything that happens in these countries. For them, the main thing is to turn people away from socialism." However, these attempts (although they do have a certain effect on public opinion in the countries of capital) are ultimately doomed to utter failure.

The building of socialism, as V.I. Lenin repeated on more than one occasion, was and remains a highly complex process. Because it is something new, something being done for the first time in history. Because the formation of a new society has begun in countries that are far from being the most developed from an economic and cultural point of view. Because the building of socialism is progressing in a bitter struggle against the old system. The new society has to overcome serious opposition from imperialism. Because the full revelation of socialism's potential presupposes the profoundest change in people's psychology, and this task, as V.I. Lenin pointed out, requires a considerable amount of time.<sup>18</sup>

However, whatever obstacles and difficulties may arise before socialism, there is no doubt that, through all its activities and all its achievements, it has already convincingly proved its historic advantages over all preceding socioeconomic formations.

Socialism today is primarily a most dynamic economic system which, under the most difficult conditions, has proved its vitality and ensured the great progress of productive forces in the shortest historical space of time. Thus, whereas in 1950 socialism accounted for approximately 20 percent of total world industrial production, in 1983 it accounted for more than 40 percent. The CEMA countries alone, where 10 percent of the world's population lives, produce one quarter of the world national income, one-third of the world's industrial products, and one-fifth of its agricultural products.

They also account for one-third of the world's scientific-technical potential. The economies of these countries continue to grow at a more rapid rate than those of the developed capitalist countries. During the years 1971-1983 the national income of the socialist countries grew twice as fast as that of the imperialist states, industrial production three times as fast, and agricultural production almost three times as fast.<sup>19</sup>

Further, from a social point of view, socialism, is a society that has proved without doubt and by many thousands of examples that it is a society of genuine social equality and social justice.



American authors frequently call the United States a "country of equal opportunities," but national minorities are subjected to cruel oppression. Despite the loudest declarations, equal opportunities for men and women are far from guaranteed there. A total of 35 million Americans live in conditions of poverty, and approximately 5 million are without a roof over their heads. Whatever arguments in favor of capitalism its advocates may think up, the aforementioned facts cannot be denied by anyone, but in just the same way it is impossible to deny the fact that socialism has guaranteed in practice genuine equality for its people irrespective of nationality, sex, or age. Socialism has liquidated poverty and backwardness, squalor and illiteracy. Socialism, it is true, has not yet succeeded in surpassing the level of productive forces reached by the most developed capitalist countries. However, within the framework of its potentials, it has given the peoples of the countries where its principles have been established considerably more, and in many respects incomparably more, than capitalism has been able to give people, even in the richest and most developed countries in the West.

The 26th CPSU Congress stated with full justification: "What has been done by the countries of socialism in economic development and in raising the people's standard of living is the work of a whole era."

From a political point of view socialism has ensured a standard of human rights and democratic self-initiative for the masses such as history has never known before. One can say with confidence: Never and nowhere before have the broadest masses of the working people enjoyed such rights of such real opportunities for so extensively participating in management of the affairs of society and the state as in our country.

It is a well-known fact that socialist democracy is the object of constant attacks by both bourgeois and reformist ideology. But what do these ideologies criticize? If we put it in general terms, the fact that socialism has liquidated bourgeois social and political values does not suit them. For example, the fact that having wiped out private ownership and the exploitative classes, socialism refuses to recognize their right to political representation and to forming an opposition hostile to socialism. Or, for example, the fact that socialism decisively suppresses all attempts to shake its political system or to restore in any form the systems of bourgeois democracy and bourgeois pseudo-equality. Of the fact that it does not grant anyone the "right" to undermine its social system.

Socialism indeed does not recognize this "right" and will never recognize it. However, this is not a violation of human rights, as they claim in the West, but a protection of the rights of the overwhelming majority of the people against attempts to sabotage or even liquidate their inalienable rights.

"We do not idealize what has been done and what is being done in our country in this sphere," wrote Yu.V. Andropov, "Soviet democracy has had, has, and, one must assume, will continue to have difficulties connected with growth, these difficulties being caused by society's material potentials, the level of the masses' awareness and political consciousness, and also by the fact that our society is developing not in favorable conditions, not in isolation from a world hostile to us, but in the cold winds of the 'psychological war' unleashed by imperialism."<sup>20</sup> Socialist democracy is being perfected and will continue

to be perfected. But, we repeat, what has already been done in this sphere guarantees socialism an indisputable advantage over capitalism.

Finally, from an international-political point of view, socialism is the first society in the history of mankind that has not only proclaimed, but also consistently implemented a Leninist policy aimed at lasting, democratic peace and equal cooperation between all peoples and states irrespective of their social system.

Socialism's firm course aimed at lasting peace, a course backed up by concrete actions, has particular significance in our nuclear age. This course demonstrates with exceptional force the superiority of the socialist system over any exploitative system. It very convincingly proves that the aims and essence of socialism are in full accord with the vital interests of the whole of mankind.

Socialism has traversed a long, historic path. However, naturally it still has far from revealed all its potentials and, what is more, has by no means exhausted them. Our enemies frequently gloat over this. They try to utilize any, even a small problem which socialism encounters (and everyday life sets man new problems--this is an inevitable consequence of progress and society's rapid development) to prove either socialism's "bankruptcy" or, as it is sometimes said, "the exhaustion of its motivation forces."

Gloating, our enemies, of course, offer their services and even offer advice on how, in their opinion, one should "improve the functioning" of the socialist system. It is truly a touching sight: The enemies of socialism are concerned over its perfection!

However, all their "advice,"--and unfortunately also certain recommendations made by representatives of left-wing forces--in fact come down to one thing: To proposals to renounce the fundamental principles of socialism both in the economy and in politics. Moreover, what is more we are persistently "recommended" to renounce Marxism-Leninism as the ideological basis of social development.

However, let the unasked-for "advisers" not console themselves with illusions. Socialism has become firmly rooted in the countries that built it, and not one nation in the socialist social system on the basis of the ideas and principles organically inherent in it.

The CPSU has clearly stated the issue: We are now at the stage of developed socialism; our task lies in comprehensively perfecting developed socialist society and in fully revealing socialism's great advantages.

"...The services of the present generation of Soviet people...to the motherland and to history," K.U. Chernenko has pointed out, "will primarily be gauged by how successfully we fulfill the tasks of perfecting socialism in our country, or, to put it differently, how far we progress toward bringing it fully in line with the socialist ideal and toward eliminating everything from our lives that runs counter to the idea of social justice--the central idea of our world outlook.

"We can and must make our society such that it lives up to the loftiest and most exacting ideas on socialism in every war: those ideas that were scientifically substantiated by Marx, Engels, and Lenin, those ideas that inspire the working people and the popular masses throughout the world to struggle for socialism, those ideas that have never allowed us to rest content with what has been achieved or to reconcile ourselves to shortcomings and imperfections."

The measures that are planned and implemented by the party and that embrace all spheres of our life--from the economy to democracy, and from culture to social mores--are fully in accord with this lofty task. There is no doubt that fulfilling the set tasks is no simple matter. It requires great effort and a certain amount of time. Thus, the large-scale programs we have mapped out (the food program, the energy program, the program for increasing the production of consumer goods and improving services, and the program for scientific-technical development now being drawn up) are calculated for a number of years right up to the beginning of the next century. However, the measures already taken yield considerable results. Our society's progress is gathering speed and picking up fresh momentum.

In one of his last works V.I. Lenin wrote: "...Socialism conceals gigantic strengths within itself... mankind has now made the transition to a new stage of development that holds unusually brilliant possibilities."<sup>21</sup> Having become a powerful system, over the last decades socialism has already convincingly confirmed this prognosis of Lenin's. There is no doubt that the coming years will provide fresh, still more brilliant evidence of the correctness of this prognosis.

The formation, development, and perfection of socialist society is the most brilliant and convincing, but far from the sole example of the materialization of the ideas of Leninism. The appearance of our countries of socialist orientation, countries that chose the path of socialist development in Asia and Africa in the middle of the century is another exceptionally brilliant example of this.

By dogmatically approaching the theory of Marxism, opportunists from the Second International basically tightly sealed off the path to socialism for the peoples of the colonial world. Since a solid material base, developed productive forces, is necessary for building socialism, they argued, the peoples of Africa, Asia, and Latin America should "wait" until this base arose. They even went as far as claiming that it would be expedient to preserve colonial domination after the victory of socialism in developed countries supposedly in order to "help lead" the peoples of the colonies onto the path of socialism.

V.I. Lenin decisively opposed this blatant distortion of Marxism. He maintained that this was not so, that in the new era, when world socialist revolution had already begun, peoples backward in their development (because of domination of colonial systems) would also be able to progress toward socialism; To progress by a new path--bypassing capitalism.<sup>22</sup> Lenin deduced that this was possible from the analyses he made in the twenties of the



ripeness of the entire world capitalist system for socialist revolution, on the one hand, and of the essence and nature of the influence of victorious socialism on the path of development of colonial, dependent, and backward countries inevitably striving to rapidly resolve the problems they had inherited from colonialism, on the other.

V.I. Lenin's revelation, which has now been confirmed by history, of the possibility of progressing toward socialism while bypassing capitalism has had and still had fundamentally important, truly historic significance. In point of fact, it is a question of his revelation of A NEW ROUTE FOR SOCIAL PROGRESS IN THE ERA OF MANKIND'S TRANSITION FROM CAPITALISM TO SOCIALISM.

It is clear that this route is very complex. It includes resolving the most complex problems connected with forming contemporary productive forces and new production relations under conditions where, having embarked upon a path of socialist orientation, countries have still not wrenched themselves from the system of the international capitalist market and are still subject to exploitation by the monopolies. Under conditions where precapitalist relations, as well as vestiges of feudalism and tribalism, still play a great role in their domestic lives and where a contemporary workers class is still in the process of forming. Zigzags and retracting steps are possible.

Nevertheless, countries of socialist orientation have already proved that the direction they have chosen is in the real interests of the masses. Leninist ideas are put into practice, into real life.

While on the topic of this aspect of the materialization of Leninism, one must not only emphasize the very fact of the appearance of countries of socialist orientation and their generally successful development, but also the fruitfulness of V.I. Lenin's theoretical approach to the matter of determining the paths and prospects of social progress in the contemporary era.

V.I. Lenin, particularly in the period after the October Revolution, warned: The further course of the historical process will make it possible to find other, new approaches to making progress, and other, new solutions possibly different in form from those already implemented or in the process of being implemented, but which essentially lead to the same historic goal: to socialism.

Examining the problem of the future of the colonial countries, V.I. Lenin once again demonstrated the fruitfulness of Marxist methodology of predicting new paths of social development. This primarily consists in thoroughly studying the real state of affairs, essence, and trends of development in the general world situation. Further, one must precisely define the social forces which, in a given country or region of the world, are capable of progressing forward along untraditional paths while relying on already existing socialism. Finally, this methodology presupposes a close international mutual connection between the fates of individual peoples and the necessity for the internationalist mutual support of revolutionaries, in whatever country they operate, for successful progress to be ensured.

In other words, we once again perceive here a search for the new--not by renouncing the revolutionary principles of Marxism, but by revealing new possibilities for putting these principles into practice.

But surely the contemporary development of the revolutionary process as a whole is the true materialization of Leninism?

V.I. Lenin was the first to put forward and substantiate the concept of a contemporary, precisely WORLD revolutionary process. While constantly emphasizing the importance and necessity of revolutionary effort on the part of the peoples of every country, the impossibility of carrying out revolution through the proletariat if the time is not ripe, and the futility and unacceptability of attempts to export revolution, Lenin at the same time never tired of repeating: The transition from capitalism to socialism is a worldwide, international process already involving all countries and peoples. To abstract oneself from this and ignore the international conditions of the class struggle and the necessity for solidarity between revolutionaries does not simply constitute a betrayal of Leninism, but also seriously undermines the possibilities of waging revolutionary struggle.

The close unity in one stream of the most diverse directions and currents of struggle is brilliant confirmation of this Leninist idea today. One can cite scores of Lenin's utterances on the fact that the struggle for the transition from capitalism to socialism on a world scale will not be a "pure" social struggle....

"...To think," he wrote, "that social revolution is CONCEIVABLE without uprisings by small nations in the colonies and in Europe, without revolutionary explosions among some sections of the petty bourgeoisie WITH ALL THEIR PREJUDICES, and without the movement of unaware proletarian and semiproletarian masses against landowning, church, monarchic, and national oppression--to think thus is tantamount to RENOUNCING SOCIAL REVOLUTION. As if one troop forming up in one place and saying: "We are for imperialism" would constitute social revolution...! Whoever expects "pure" social revolution will NEVER get what he is waiting for."<sup>23</sup>

According to Lenin, the most diverse streams, many of which will by no means have a purely socialist content, will come together in the process of the transition from capitalism to socialism. And this is natural. Because the very essence of imperialism and its policies generate keen opposition in the masses, this opposition is assuming the diverse forms and following the most varied of directions. Each one of these directions, even if it is not oriented directly toward socialism, weakens and undermines the old social system and thereby makes an important contribution to the general cause of social progress.<sup>24</sup>

Hence Lenin's broad raising of the issue of social alliances and allies of the proletariat and of the necessity for the workers class to support anyone who fights against imperialism and to draw into this struggle all who are capable of participating in it.



From this point of view, the potential of the antiwar movement is a great example of the materialization of Leninism. Lenin believed that war is the worst of all evils engendered by imperialism, particularly contemporary war. He foresaw the creation of more and more new means of destruction which would make war a global danger. And this, he assumed, would inevitably give rise to mass, powerful opposition on the part of the peoples.

The development of the antiwar struggle does not simply confirm Lenin's ideas, but also makes it possible to deepen and enrich these ideas--and not only his ideas on the antiwar struggle of the masses, but also on the ways of struggling for social progress and for the safeguarding of mankind's vital interests as a whole.

#### Why Is History Developing According to Lenin?

One can pose the question: Why have Lenin's ideas found such powerful and convincing material embodiment? Why is history, as we say, developing according to Lenin?

Opponents of Leninism have tried on more than one occasion to declare this great teaching to be a kind of "new religion" with Lenin as its "prophet" and its followers as a kind of "church." But if this were really the case, Leninism would never have been able to be implemented in practice. The world would have followed some course of its own, but by no means the one which was opened up and predicted by the leader of the October Revolution.

The insuperable strength of Leninism lies in the fact that it is a genuine SCIENTIFIC THEORY that has thoroughly researched contemporary reality and provided an answer to the most serious and agonizing problems of mankind put forth by history at the contemporary stage. Lenin's ideas have accurately and truthfully reflected the objective course and requirements of social development.

"Lenin," J. Bernal has justly written, "was the greatest among the most major scientists of his time because of the intellectual force of his thinking and the broadness of his outlook. While other great people saw only one or other aspect of reality, he saw everything. He regarded reality not as something static, but as something in flux; he understood the forces which determined this movement and learned to direct them."<sup>25</sup>

It is precisely the scientific validity and the methodological maturity of Leninism that allowed Lenin to forecast correctly the course of social development. And that materialization of the ideas of Leninism, which was discussed in the preceding section, attests more than anything else to the real value of Leninism as a GREAT REVOLUTIONARY SCIENCE.

When Marxists-Leninists note this fact and say that the history of the 20th century is developing according to Lenin, their ideological opponents frequently raise the objection that we are supposedly devoted to the idea of unlimited determinism--the fatal inevitability and the mechanical predetermination of the whole course of events. By posing the issue this way,

they claim, Marxism-Leninism renounces its own method--a dialectical approach to social processes. In many ways sharing these beliefs of bourgeois ideologists, right-wing Social Democrats and right-wing opportunists also willingly accuse Leninists of dogmatism and of attempts to squeeze all events into the procrustean bed of an earlier developed scheme.

However, all this in no way fits in with reality. Leninism never has been and never will be a collection of prophecies or prescriptions suitable for every event in life. But a providential approach to the development of events is equally alien to Leninists. Marxism-Leninism is a living, developing doctrine. Its main value lies in the fact that it teaches one to think independently and points out ways of developing flexible policies that take into account every new circumstance that arises while retaining the unshakable nature of class revolutionary principles.

The fact that THE MOST IMPORTANT SCIENTIFIC PROGNoses PUT FORWARD BY THE FOUNDERS OF MARXISM-LENINISM HAVE BEEN CONFIRMED BY THE COURSE OF HISTORY is a historical fact. It is true that some opponents and critics of Leninism in the West and in the East try to dispute even this by pointing out that not every prediction made by the classics of Marxism has been fully confirmed. For example, the original prediction made by Marx and Engels that socialist revolution would begin in the most developed capitalist countries was not borne out. Life has also failed to back up the thesis that the liberation of the colonies would follow revolutions in the mother countries. The hope that socialist revolution would triumph in Europe immediately after the victory of the October Revolution was also not justified.

But, while admitting this, one must bear in mind that neither Marx, Engels, nor Lenin ever attached decisive significance to the questions of the rates of development of individual countries and the forms and lengths of time of mankind's progress from capitalism to socialism. Their opinions on the historical inevitability of this transition, the international, worldwide nature of the revolutionary process, and its main motivating force and leader--the workers class of the world--were of a principled, fundamental nature. Marxist-Leninist classics on more than one occasion openly corrected their own ideas, clarified their conclusions by bringing them into line with changed conditions, and taught their followers to do this.

"Yes," wrote Lenin, "Marx and Engels erred and frequently erred in determining the proximity of revolution and in their hopes for the triumph of revolution." Recalling in this connection the German revolution of 1848 and the Paris commune, Lenin emphasized: "But SUCH errors on the part of the giants of revolutionary thinking, who lifted the proletariat of the world above the level of petty, mundane, trifling tasks, are 1,000 times more noble, greater and HISTORICALLY MORE VALUABLE AND TRUER THAN THE VULGAR WISDOM OF CONVENTIONAL LIBERALISM WHICH WARBLER, CLAMORS,... AND VERBALIZES ABOUT THE VANITY OF REVOLUTIONARY VANITIES, THE FUTILITY OF REVOLUTIONARY STRUGGLE..."<sup>26</sup>

Since real life has brilliantly confirmed the chief, basic prediction of the inevitability of mankind's revolutionary liberation, the scientific veracity of Marxism-Leninism has been proven in the most convincing way. This teaching is not a utopia, not a speculative construction or good intention, but, as its founders said themselves, "the general expression of the real relations of the class struggle taking place and the expression of the historical movement progressing before our very eyes."<sup>27</sup>

And so, the PROFOUNDLY SCIENTIFIC NATURE OF LENINISM is the chief reason it has been able to become the true ideological basis of events in our era: the chief reason, but not the only one.

Leninism has also become the basis of contemporary development because Lenin and his successors, Communists, have succeeded in uniting the generalizing conclusions of Marxist science with the movement of the masses. The theoretical tenets and predictions have been transformed by Communists into a practical plan of action on the basis of which they have succeeded in rousing the millions of the popular masses and involving them in the movement. The movement of the workers class and the working masses, led by Communists, has become a powerful motivating force of social progress--a force which has carved a route for its progress forward and destroyed the barriers and obstacles erected in its path by imperialism. Marxist-Leninist parties' implementation of the theoretical conclusions of Leninism in the process of the historic activities of the masses is also a major reason for the successes in the revolutionary transformation of the world. For the first time in history, ideas corresponding to the requirements of social progress have been consciously applied in practice in order to accelerate the movement of this progress. It is precisely that which has caused the rates of history's progress to be speeded up in our era.

The process of uniting the scientific theory of Leninism with the practice of the popular masses' creativity continues. And it is no longer simply a question of the workers class and its vanguard.

Characterizing the role and place of LENINISM in the life of contemporary mankind, one must also mention the fact that it has become THE TRUE IDEOLOGICAL PREDOMINANT FORCE OF OUR ERA.

Of course, it would be incorrect to claim that the ideas of Marxism-Leninism have already infected the minds of the majority of mankind. Even in the conditions of the domination of socialist social relations, a considerable amount of time is required for firmly uniting the popular masses with the riches of the Marxist-Leninist ideological treasure-house. It is also a question in this case--or, to be more precise, even in this case--of the long process of cultivating the socialist awareness of the working people. It is still more difficult to achieve this in a nonsocialist world where the dominant positions are occupied by bourgeois ideology. Nevertheless, the process of penetration of Marxist-Leninist ideas among the masses of the world population is progressing rapidly and invincibly.

In point of fact, irrespective of whether various strata of society are aware of it or not, all the main slogans occupying a leading place in the contemporary ideological-political life of mankind have been put forward precisely by the followers of Leninism.

This is primarily a question of slogans advocating struggle against nuclear war and for its eradication from the life of society in general. No one can deny that these ideas were first advanced and most actively upheld precisely by Communist-Leninists.

It is also a question of the principle of the peaceful coexistence of states with different social systems, which today has essentially become the main slogan in the struggle of the masses against the threat of war. But the idea of peaceful coexistence in itself was put forward by Lenin. This idea is persistently and purposefully upheld by the CPSU and by other Marxist-Leninist parties.

Furthermore, it is a question of decolonization and the definitive liquidation of the most shameful phenomenon of our time--colonialism in all its forms and manifestations. And this slogan was placed on the agenda by Lenin. Marxist-Leninists struggle most determinedly to put it into practice.

What is also involved in this connection is the democratization of international political and economic relations. It should not be forgotten that this idea was formulated for the first time in the Leninist Peace Decree.

Finally, what is also involved is the protection of real human rights, beginning with the human rights to life and work.

True, imperialist propaganda claims that this slogan almost contradicts Leninist ideology. Claims of this kind are a plain anticommunist lie. Yes, the Communists do oppose the "human rights" advocated by the bourgeoisie, that is, the "rights" to private property, to exploitation, and to suppression of some countries by others. The Communists are against the "rights" to unemployment, to hunger, and to mass oppression. But it is precisely and primarily the Communists who have defended and continue to defend all true human rights. V.I. Lenin waged the struggle for the fulfillment of these rights. The October Revolution was carried out to ensure these rights. Leninism has raised high the banner of protection of the rights of the working people. And it is precisely in the socialist countries that Lenin's successors are practically implementing them in life.

This enumeration could be continued. But what has been said is sufficient to be convincing: Precisely the slogans raised by Leninism have now gripped the conscience of a considerable part of the popular masses, even though--we repeat--they may not always know who specifically has raised them.

"...A countless multitude of paths, both straight and tortuous, lead to Lenin," J. Becher, prominent German poet and revolutionary, has written. "Lenin's greatness has prevailed over thousands and thousands of his former adversaries and has set many of them on the right path. In our period Lenin's path has turned into that main highway on which millions of people are marching in the struggle for peace and to the mankind's happy future."<sup>28</sup> These words were not written today, but they have a special force today.

#### Leninism and the Future of Mankind

A great deal, more than ever before, is now being written and said about the future. And it seems that the main reason for this is the fact that life has confronted mankind with a number of problems that may jeopardize this very future unless they are resolved in good time. Problem number one from this viewpoint is the problem of preventing nuclear war.



How this and other acute problems of the contemporary period should be resolved is the topic of current discussions everywhere in the world. Representatives of the two opposing social systems naturally propose different and, in many ways, contrary variations of solutions. There are two truths that are obvious to the Marxists-Leninists. The first one is: No matter what concrete proposals may be introduced in this connection, the only reliable platform for rational solutions at present is peaceful coexistence between the states of the two systems. In general, and in the nuclear age in particular, there is no alternative to this. The second truth is: It is only the completion of mankind's transition from capitalism to socialism on a worldwide scale that can provide the real and final and definite solution for the most acute problems of social development which arise at the present stage of this development. It goes without saying that no one can predict the time frame and order of this process because this is a natural-historical process. However, in any event, be it at the present time or in the future, the class struggle and a comprehensive advance of all forces and detachments of national and social liberation of peoples have been and continue to be an indispensable prerequisite for the success of the cause of peace, democracy, and social progress.

The competition between the two world systems, the systems of socialism and capitalism, is the decisive battleground in the struggle for peace and for mankind's future, And "...the decisive front of competition with capitalism is in the sphere of the economy and economic policy."<sup>29</sup> The latest CPSU Central Committee plenums have absolutely clearly confirmed once again the correctness of the Leninist thesis by emphasizing that ensuring victory in this sphere is the greatest national and international duty of all peoples of the countries of socialism.

The political struggle has retained and will continue to retain an enormous importance, considering both the political strengthening of socialism and resistance against all attempts at its destabilization as well as the struggle between the two political courses on the international scene and the struggle of socialism for durable peace and to consolidate the relations of genuine peaceful coexistence between states with different social systems.

The ideological sphere of the international class struggle has gained enormously in importance in our period. This is primarily connected with an immense and truly unprecedented broadening of the front of struggle for social progress as multimillion masses of people have become involved in this front. Marx and Engels discovered in their time the general sociological law of the growth of the role of the masses and their real activeness in the historical process as the cause of social progress continues to be advanced. Formulating this law, Marx noted: "Simultaneously with the substantiveness of historical action... the volume of the mass whose product this action is will also grow."<sup>30</sup> The course of history in the last century has fully confirmed the correctness of this conclusion.

As matter of fact, when have such masses of mankind in the past participated in historical actions that coincided with the basic direction of social progress? The construction of socialism and the struggle to build communism have already drawn into their orbit more than 1.5 billion people. And the struggle for

national liberation and to overcome the backwardness inherited from colonialism: Does it not demonstrate that now hundreds of millions of people, in fact, a majority of mankind have been drawn into conscious historical activeness? Finally, the contemporary antiwar movement that has spread through all continents and regions of the world represents a striking symbol of the actual participation of masses in the creative historical work.

It is obvious that the increase in the number of participants in the historical process and the growing political activeness of the masses inevitably raise the question of an increased role of ideology and of the significance of the scientific theory of social development, the theory by which these masses can be guided.

It is impossible not to consider in this connection also the circumstances that the period of transition from capitalism to socialism has coincided with a new stage in the development of the scientific-technical progress which we call scientific-technical revolution and which enables man to multiply his possibilities many times over, not only in the execution of some individual operations but also in their complex preparation. For the first time, the people are given the potential to qualitatively intensify their intellectual activity and make it very effective. The enormous potential of the contemporary means of communication and the perfecting and increasingly wider utilization of the mass information media also cannot but indicate a growing specific importance of the ideological component in the social development of our period. The contemporary mass information media have become a new important and, on no account, simple objective factor of life of human society.

Under the present conditions, the ideological struggle is assuming more and more a direct political significance and becoming an increasingly influential factor in stimulating the practical actions of individuals and of large masses of people.

It is understandable that the enormous growth of the potential of the ideological influence on the masses raises new demands in regard to maintaining this activity and invests with new importance the task of perfecting the theoretical, ideological, and ideological-educational work of Marxists-Leninists, of Communists.

The sailing ships of past centuries were able to sail the seas by using approximate landmarks that quite often turned out to be mere apparitions.

Contemporary fast ships require something different: They must have a precise route, including indications of all possible obstacles, and they must have precise instruments directing their course not only by stars but also by satellite signals.

This also applies to contemporary mankind. The course of its development has accelerated. It is encountering increasingly serious and menacing obstacles along its path. The storms that the ship of social progress must now overcome cannot even be compared to those that were encountered in the past. And mankind, just like a modern liner, urgently needs exact guidelines and clearly defined goals.

The above comparison essentially precisely reflects the present state of affairs. And it is no accident that, in our period, the most widely different social forces are increasingly often raising the question of guidelines and ideals for the path ahead of us and of possible directions of progress to these ideals. Mankind wants to know its future, realizing that a blind drift can lead to a catastrophe.

But there is only one ideology and one political force that is capable of giving mankind such guidelines. This ideology and this political force are Marxism-Leninism and the communist movement armed with its ideas.

Three basic directions of ideological work--the creative development of the Marxist-Leninist theory and intensified thorough study of new problems on the basis of the Marxist-Leninist principles and methods, the education of Communists in the spirit of Marxism-Leninism, and the dissemination of its ideas among the broad masses of working people--are especially topical today for all communist parties, no matter where they may be operating. However, if we speak separately of each of these directions, there are specific characteristics everywhere.

First, about the world of socialism. The ideological activity aimed at educating the new man, the man of communist formation, is one of the decisive directions in the task of building and perfecting the new society. This was absolutely clearly stated at the June (1983) CPSU Central Committee Plenum, which emphasized that the success of the task of communist construction depends to an ever greater extent precisely on the scope and level of ideological-educational work. Similar conclusions have also been made by other fraternal parties of the socialist countries.

The achievements in building the new society and the higher standard of education and culture of the people lead to the formation of the most favorable prerequisites for success in this work. On the other hand, the higher ideological-political standard of the working people and the strengthening of the foundations of socialist morals and conduct are increasingly becoming a prerequisite and necessary condition for effective fulfillment of the socioeconomic tasks and the tasks of perfecting the socialist democracy. In solving new tasks, Lenin taught, "it is precisely the preparation of the masses that is the most important thing from the political viewpoint."<sup>31</sup> A firm combination of Marxist-Leninist knowledge and practical constructive work must play a special role in this respect.

Under the conditions of the process of perfecting developed socialism, the formula of the unity of theory and practice and of their mutual enrichment acquires an increasingly rich substance. Only deep study and creative generalization of the new problems of socialism can ensure the elaboration of a reliable path for the future. And in its turn, the ideological-educational work is called upon to promote not merely the mastering of some kind of abstractly considered principles but also the ability to analyze independently the problems that arise and to implement the party's scientifically substantiated course in the process of work. Finally, this education will fail to produce the necessary results unless it is reinforced by a due level of organizational work and a sufficient improvement in the qualifications and the standard of competence of cadres at all levels from the bottom to the top.



Concerning the methods of carrying out this work under the conditions of developed socialism, it cannot and must not be carried out only by specially trained ideological cadres. Naturally, they must play the main and leading role in this work. But at the same time, all leading cadres, all conscious Communists, and all conscious participants in socialist construction must actively participate in ideological-educational work. However, this approach clearly presupposes a significantly higher standard of theoretical training of the propagandists of Marxism-Leninism. The party's demand for the competence of cadres applies fully to the sphere of ideological work.

Ideological-educational work in the countries of socialism in our period is a most important link that unites theory and practice and creates the conditions for a fruitful development of both.

Concerning the nonsocialist countries, the growing importance of the ideological activity of the forces standing on the positions of the scientific Marxist-Leninist ideology is conditioned by the growing social contradictions, by historic rise of the popular movement against oppression by monopolies and for peace, and by the necessity of giving this movement reliable guidelines and counteracting the reactionary and bourgeois reformist as well as social democratic attempts to pull it to a path that essentially leads to the preservation of the existing systems.

The level of class awareness of the working people as a whole is still insufficiently high in the countries of developed capitalism where the objective material prerequisites for socialism are ripe. This is connected with various circumstances: the expansion of the mass of individuals in hired labor relationships, including the workers class, by including in this mass numerous individuals from nonproletarian classes; the changed deliberate political and ideological activity by monopolist capital. However, the fact cannot be changed: There is a certain (and quite deep) contradiction between the maturity of the objective and the subjective prerequisites of the struggle for social progress. In essence, the problem of instilling in the workers class its class awareness and imbuing its ranks with an understanding of its historical mission, the problem of political education of the masses, has now become one of the central problems of the struggle for social progress in the developed capitalist states. And this fact naturally places especially high demands on activities of Marxist-Leninist parties.

The questions of ideological struggle have also become a focal point of political life in the developing countries where the struggle to overcome the consequences of colonialism is being activated in every way possible and where there is a growing aspiration to solve the problems that arise along new paths. But for the time being, the material prerequisites for building socialism are still lacking in most of these cases. In this situation, what is especially needed to ensure a successful advance along the path of social progress is a real and conscious activeness of the masses. Consequently, it is precisely the ideological questions and the ideological struggle that have assumed a special and exclusive place in the activity of the forces that work for a progressive solution of the tasks facing these countries.



On the other hand, the fact should also be kept in mind that the questions of ideological activity are also attracting the ever increasing attention of the forces of the imperialist bourgeoisie. In a situation when socialism is confidently advancing in the sphere of economy, when an approximate equilibrium between socialism and imperialism has been achieved in the military-strategic sphere, and when the general correction of sociopolitical forces in the world is changing more and more to the detriment of imperialism--under these conditions the ideological struggle and the attempts at ideologically weakening and undermining the positions of socialism have essentially become one of the main concerns of the leaders of the contemporary imperialist world.

Their increased attention to these problems became very noticeable as early as in the mid-sixties when it became absolutely clear that imperialism could not count on victory in the economic and political spheres and that the victory of socialism in these spheres was only a matter of time. It is precisely from that time onward that greater attention began to be devoted to the ideological antagonism with socialism and Marxism-Leninism. This fact manifested itself among other things also in the fact that numerous special organizations were set up in the United States and other Western countries which were designed to engage in corresponding activities, that enormous resources were placed at the disposal of these organizations, and that renewed ideological concepts of struggle against socialism and Marxism-Leninism were worked out with the aim of discrediting or undermining socialism and Marxism-Leninism.

Precisely Leninism is the main target of all adversaries of social revolution. The explanation of this fact is obvious: The very essence of Leninism, its severe and just condemnation of imperialism, the development and deepening of the Marxist revolution theory and practice, and the development of the contemporary scientific methodology of unmasking the apologists and servants of imperialism--all this makes Lenin and the Leninists especially dangerous adversaries of the old system as well as especially dangerous adversaries of the old system as well as especially dangerous adversaries of the opportunist elements in the workers movement.

It follows from this that a FIRM DEFENSE OF LENINISM AND AN EFFECTIVE REBUFF OF ALL OF ITS ADVERSARIES CONTINUES TO BE THE UNQUESTIONABLE DUTY OF EVERY TRUE REVOLUTIONARY. This is an inseparable part of the struggle for social progress, for peace, for democracy, and for the national freedom of peoples. And this is understandable because, in defending Leninism, the Communists are expected to act as Lenin did in defending Marxism: rebuffing the adversaries by creatively working out the new problems of world development.

Just as it was in Lenin's time, life is engendering a considerable number of new questions today as the revolutionary process is obviously entering a higher stage of its development as a result of the changed correlation of the socioeconomic, political, and military forces to the advantage of the cause of peace and social progress. It is appropriate here to recall V.I. Lenin's words: "World history now rushes on... at a furious pace and destroys everything habitual with the hammer... of immense power, with the crisis... of unprecedented force...."<sup>32</sup>

It is completely natural that under these conditions there is an acute need for a thorough Marxist-Leninist analysis of the problems that are arising. This work is in progress and certain successes have been noticed in its course, although there are quite a few difficulties and there are also "blank spots." The 26th CPSU Congress, the June (1983) CPSU Central Committee Plenum, and the session of the CPSU Central Committee's commission for preparing the new edition of the program of our party forcefully called attention to their existence and the need for liquidating them.

A FURTHER DEVELOPMENT OF THE MARXIST LENINIST THEORY ASSUMES A SPECIAL SIGNIFICANCE at the present stage. The old question of the combination of the creative development of Marxism, the renewal of the strategic and tactical positions of the communist parties, and loyalty to the fundamental principles of our teaching once again becomes topical in this connection. It is known that the loyalty to principles is quite often characterized as "dogmatism" and that the legitimate aspirations to renew the strategic and tactical positions are used to mask revisionism. These phenomena have been known to Communists from long ago and were criticized by V.I. Lenin on more than one occasion, and the struggle against them must be waged in an absolute way.

A dialectical combination of the continuity of and innovations in theory and policy is the guarantee for a successful advance. The essence of this principle was expressed well by Lenin in his last public statement in November 1922. He appealed then "not to give up the old achievements" but, at the same time, "to show that we have not only learned by rote our past lessons and are now repeating their elements."<sup>33</sup> In another place Lenin demanded the Communists to comprehensively take into account the new social reality and all changes that have taken place in the life of the society (and not only to take them into account but also to "utilize" them) and demanded at the same time "not to give oneself helplessly to the current, not to throw out the old baggage, and to preserve what is fundamental in the forms of activity.... in theory, in the program, and in the principles of policy."<sup>34</sup>

It is precisely this task that the Marxists-Leninists are once again facing today, no matter where they may be working.

"We must think of the future, of Lenin's importance for the future; and his importance for the future is such that, if the experiment Lenin had undertaken, the experiment of socialism, fails, then modern civilization will perish just as many civilizations have perished in the past.... If the future is with Lenin, we can all rejoice over this..."<sup>35</sup>

B. Shaw wrote these lines many years ago. In the time that has passed since then, Lenin's ideas and works have become the symbol and the sign of our era and an influential factor of world development. Inspired by Leninism, the Soviet people have already saved world civilization once during the period of the Great Patriotic War. All peoples of the world will celebrate the 40th anniversary of this great feat this year.

"The main force of the teaching of Marx, Engels, and Lenin is not only in the past, but also in the present and the future,"<sup>36</sup> B.N. Ponomarev notes. Today Leninism represents a powerful weapon in the struggle to save mankind from a nuclear catastrophe and to further increase the potential of socialism and of all forces capable of ensuring peace and freedom for all peoples and for each individual people. For our people and the peoples of the countries of socialism, Leninism is the clue to the communist future. Studying, protecting, enriching, developing, and creatively implementing Leninism in everyday life and creative work--this is the sacred duty and the patriotic and international obligation of every communist.

#### FOOTNOTES

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31. V.I. Lenin, "Complete Collected Works," Vol 42, p 217.
32. Ibid., Vol 37, p 192.
33. Ibid., Vol 45, pp 305, 307.
34. Ibid., Vol 20, p 188.
35. "The World on the Country of the October Revolution," p 257.
36. B.N. Ponomarev "Living and Effective Teaching of Marxism-Leninism." Moscow, 1983, p 158.

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## OPPOSITION TO LOS CONVENTION SAID DANGEROUS TO WESTERN INTERESTS

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 1985 (signed to press 17 Dec 84) pp 37-48

[Article by I. Vanin, V. Golubkov: "The UN Law of the Sea Convention--Time of Important Decisions"]

[Text]

### I

The delegates to the Third UN Law of the Sea Convention assembled for the final work session in March 1982 in New York. Their task was to conclusively examine and adopt an official draft of the corresponding convention. It was at precisely this stage of the conference that the participants in the session were confronted with two additional demands put forward by the United States essentially aimed at an in-depth revision of a document which was practically ready for signing.

First of all it was necessary to respond to the ultimatum advanced by the Reagan administration: either the conference considered the American amendments to part XI of the draft Law of the Sea Convention or the United States would not accept the convention as a whole. We would recall that part XI was devoted to a new institution in the international law of the sea--the regime of the development of resources of the sea bed beyond the confines of national jurisdiction (that is, beyond the limits of the continental shelf) and the creation of an international sea bed authority for the purpose of monitoring observance of the corresponding provisions of the convention. American delegations sent to the sessions of the conference by the R. Nixon, G. Ford and J. Carter administrations had participated most actively in the elaboration of the said draft of the convention. Back in 1980 part XI had been practically finally agreed, and the head of the U.S. delegation at that time, the prominent Republican E. Richardson, on the instructions of his government, approved its text on behalf of the United States, emphasizing that "the conference should be proud of the results achieved at this session."\*

However, the overall toughening-up of U.S. foreign policy following the R. Reagan administration's assumption of office and Washington's abandonment of international cooperation on an equal basis and the transition to a policy of

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\* "Official Conference Proceedings," Vol XIV, New York, 1983, p 60.

diktat in place of negotiations were reflected in the United States' attitude toward the convention also. As a result this administration, the fourth in the history of the convention's elaboration, declined to adopt part XI, which had already been agreed, demanding its radical revision on conditions which not only rolled back the negotiations on the sea bed regime more than 15 years but, what is most important, were fundamentally contrary to the interests of the overwhelming majority of countries, primarily the developing countries.

Concerned for the interests of the American monopolies, the U.S. representatives also demanded the elaboration of special provisions concerning protection of the capital investments in prospecting on the sea bed which had already been made by certain states which would have afforded such investors the right to continue their activity in specific sectors of the oceans prior even to the convention taking effect.

With respect to the first question U.S. blackmail was completely rejected by the participants in the session, and no changes were made to part XI. However, Western and also certain developing countries helped American diplomacy accomplish the second task. They consented to the elaboration of a separate document (Resolution II of the conference) which regulates the acquisition by the companies of a group of countries of rights to exploration of the resources of the sea bed prior to the convention coming into force. State enterprises or companies of India, France, Japan and the USSR, four international consortia incorporating companies of the United States, Britain, the FRG, Italy, the Netherlands, Canada, Japan and Belgium and also developing countries were able to acquire such rights if prior to a certain specified time they spend \$30 million on general and \$3 million on specific prospecting in a specific sector. If an applicant meets the said and a number of other conditions, his claim is registered, and the applicant is accorded the status of primary investor, that is, the exclusive right of exploration of the given sector. As attesting states\* for their companies or enterprises here, India, France, Japan and the USSR were obliged to sign the convention. At the same time, however, in accordance with Resolution II, it is sufficient for the registration of a consortium of private companies for just one of the states whose companies are a part of this consortium to sign the convention and act as attesting state. As a result, for example, Canada and the Netherlands, which have signed the convention, could, given observance of certain conditions, submit an application on behalf of consortia in which the basic interests are represented by American and British capital, that is, capital of countries which have not signed the convention.

On 30 April 1982 Resolution II was adopted by the conference in a package with the text of the convention and a number of other resolutions. The USSR delegation abstained during the voting, pointing out that Resolution II infringes the rights of the socialist countries, affording them (as a socioeconomic system as a whole) only one sector, and that it could endow with rights private companies of states which, possibly, will not sign the convention. The attempts to explain this danger to the developing countries

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\* An attesting state is one attesting in its own name that this firm, company or legal entity or other is registered in the given state in the procedure required by law--editor's note.

were, unfortunately, unsuccessful. The states of this group voted for the adoption of Resolution II, believing that the concession they were making would secure for the convention support by all countries interested in protecting preliminary capital investments. These hopes, as is now apparent, were not justified.

On 30 April 1982 the United States voted against the convention, and on 10 December 1982 signed merely the final act of the conference, confirming its refusal to sign the convention as a whole. The official reason for this step was the Reagan administration's nonrecognition of part XI of the convention. It was not, however, just a matter of passive nonrecognition: the United States declared out-and-out war on the convention. Under pressure from Washington, as early as 2 September 1982 Britain, the FRG and France, together with the United States, signed an agreement on mutual recognition of licenses which the governments of these countries would issue to companies involved in preparatory work on development of the resources of the sea bed. This agreement was the first step on the way to the creation of the so-called "mini-treaty," which in American political circles was regarded as an alternative to part XI of the convention.

In giving notice of the officialization of the said agreement the United States attempted to exert pressure on the international community in order to reduce to a minimum the number of countries which intended on the day of the opening of the convention for signing to append their signatures thereto. Nonetheless, despite the actions of the United States, on 10 December 1982 the convention was signed by 119 delegations, and as of the present the number of signatories constitutes 159, of which 14 have ratified it.

In accordance with the conference's decisions, the first session of the Preparatory Commission for an International Sea Bed Authority and an International Law of the Sea Tribunal was convened on 15 March 1983 in Kingston (Jamaica). The commission's mandate includes implementation of the necessary preparatory measures for the creation of these new international bodies and also realization of the provisions of Resolution II. A few days prior to the convening of the commission, on 10 March 1983, President Reagan issued a declaration on U.S. policy in respect of the oceans which confirmed anew the line of unilateral appropriation of the resources of the sea bed and, consequently, disregard for any possible results of the commission's work.

This was an act also aimed against the convention and against the commission directly. Yet indirectly the United States is displaying an obvious interest in the commission's effective work. The point being that in accordance with Resolution II, prior to submitting a claim to the commission for a sector, the applicant-state has to ensure that this sector does not coincide partially or fully with the sector of another applicant. Only a state which has signed the convention may be an applicant here. The United States is not about to act as an applicant and does not intend to sign the convention, but would like very much to regulate possible disputes concerning the boundaries of sectors with all who are potential applicants. Otherwise it could transpire that a legitimate applicant who has obtained the corresponding authorization from the commission might lay claim to a sector prospected by an American company.

However, having initiated a struggle against the convention and the commission, the United States renounced participation in the work of the latter even as an observer and deprived itself of the opportunity of undertaking any actions within its framework. For this reason the delegations of a number of other Western countries took over American interests. By their efforts the question of the settlement of disputes concerning the boundaries of sectors has dragged on for almost 2 years, which has at least for the same length of time held up the start of registration of the primary investors, that is, actual realization of the commission's regulation of states' activity in respect of the resources of the sea bed. As it soon transpired, this delay was needed by the United States and its allies in order to gain time and have time to conclude a separate secret deal concerning the division among them of the most promising sectors of the sea bed.

In April 1983 the Soviet Union addressed all potential attesting states with the right to submit claims with an invitation to exchange coordinates of the sectors and settle possible disputes concerning overlapping of the sectors' boundaries. In response to this entirely legitimate action Western countries erupted in a series of letters (addressed to the chairman of the Preparatory Commission) in which they claimed that the given action was premature and unlawful even. They referred here to the lack of a concerted mechanism for the settlement of disputes. In reality, at the initiative of the Canadian delegation, an attempt was made to create such a mechanism. However, Western countries, which have not signed the convention, insisted on their participation in this mechanism, which ultimately led to the collapse of the said attempt. It became clear that coordination of such a mechanism between countries which have signed and which have not signed the convention was impossible for fundamental reasons. For this reason the USSR, proceeding from the firm line of support for the convention and the commission, began to look for ways to decide the question of the procedure of the settlement of disputes directly via the commission.

The Soviet Union received a reply to its appeal only from India, and representatives of the two countries were quickly able to establish the absence between them of disputes concerning sector boundaries. Inasmuch as a reply had not been received from other countries the Soviet Union submitted in July 1983 to the commission a claim for registration of the Soviet "Yuzhmorgeologiya" Production Association as a primary investor. Shortly after a similar step was taken by India, whose sector is in the Indian Ocean. Inasmuch as the majority of other attesting states lays claim to sectors in another region India will probably not have disputes concerning the boundaries of its sector.

As of July 1983 Western countries have been making many efforts to prevent examination of the submitted claims. A venture to the effect that the process of such examination should altogether begin after 9 December 1984 (the final date for signing the convention) inasmuch as "the countries which have not yet signed" have the right to do so prior to the said date was set in motion to this end. And if, they said, the registration of claims is begun, the said countries, which are major finance and technology donors, will be "lost" to the commission and the future international sea bed authority forever.



This venture met with understanding among some developing countries and some representatives of the Preparatory Commission's leadership. As a result the process of registering claims was postponed to the third session of the commission, which will be held in the spring of 1985.

## II

Besides dragging out the registration of claims, Western countries insisted, as before, that countries which have not signed the convention be invited to participate in the procedure of the settlement of disputes concerning sector boundaries. For further pressure on the commission to this end the United States, Britain, the FRG, Italy and Belgium, which have not signed the convention, and also France, Japan and the Netherlands, which have signed it, concluded among themselves on 3 August 1984 a "Provisional Agreement on Abyssal Areas of the Sea Bed," which was declared to be in force on 3 September 1984. This agreement is aimed at imparting "legitimacy" to the secret deal of the companies of eight Western countries headed by the United States concluded in May and December 1983 on the division among themselves of the most promising sectors of the sea bed. In other words, it is a question of creating the semblance of legitimate grounds for the unchecked plunder of the resources of the sea bed by Western consortia. Essentially this completes the work begun several years ago on the initiative of the United States of officializing a "mini-treaty" which would sanction the activity of the said countries outside of the convention and commission framework. Although not precluding in the future attempts by the United States to foist further separate deals on its allies, the signing of the said agreement signifies virtually an attempt by its subscribers to blackmail the world community and compel it to acquiesce in the parallel development of two opposite regimes of development of the sea bed--the conventional regime under the aegis of the Preparatory Commission and the "mini-treaty" regime.

At the same time the "Provisional Agreement" was hardly adopted under conditions of complete agreement among its subscribers. A number of circumstances points to this. As followed from information leaked to the press, the United States exerted the strongest pressure on the said countries to force them to sign the said document. Having signed the agreement, France the same day sent to the Preparatory Commission a claim for registration of the French AFERNOD enterprise as a primary investor. A few days later Japan did the same. By the said action France manifestly wanted to correct the impression which its signature on the "Provisional Agreement" had made on the participants in the commission. For the same purpose France, Japan, the Netherlands and the FRG sent the Preparatory Commission chairman letters in which they attempted to show that the "Provisional Agreement" is not a "mini-treaty" but merely a document on the completion of the settlement of disputes concerning sector boundaries between subscriber-countries. Finally, on the initiative of the West European this agreement itself includes a clause to the effect that it is not detrimental to and does not affect "countries' positions or any commitments assumed by any party in respect of the UN Law of the Sea Convention." This clause evidently did not elicit particular enthusiasm in the United States, which was counting precisely on the "Provisional Agreement" and not the convention becoming the main legal basis for its subscribers' activity on the sea bed.

Nonetheless, the "mini-treaty" of the eight countries has created a very complex situation for the Preparatory Commission. This step of a group of Western countries headed by the United States encountered sharp condemnation in statements of the Group of 77 (developing countries--author) and the group of socialist countries and in speeches of representatives of the USSR, Mongolia, China and a number of other states. Recognizing their responsibility for the fate of the convention, the socialist countries submitted in August 1984 at the commission session a draft resolution on condemnation of the "Provisional Agreement" and nonrecognition of its provisions. However, the question of adopting the resolution was deferred for procedural reasons until the opening of the third official session of the commission in the spring of 1985. It is perfectly obvious that approval of a special resolution declaring the "Provisional Agreement" to be without legal force for exercise of the industrial recovery of resources of the sea bed would knock the ground from under the feet of those who are attempting to exercise such activity in circumvention of the convention.

### III

The submission of claims to the commission by France and Japan lengthened the list of applicants to four (the USSR, India, France and Japan), which afforded an opportunity for the start of negotiations on the specific times of the registration of claims and the procedure for the settlement of disputes in the first group of applicants. As a result of these negotiations the following arrangement, about which Commission Chairman (Dzh. Varioba) (Tanzania) notified the commission session in August 1984 in Geneva, was arrived at: states which signed the convention and submitted claims prior to 9 December 1983 in accordance with Resolution II will exchange coordinates of the claimed sectors on 17 December 1984 for the purpose of ascertaining possible overlaps. Then the disputes concerning overlapping will be settled in the period up to 4 March 1985 on the basis of a procedure chosen by the parties to the dispute. Following the settlement of disputes and the adoption of the registration rules, the commission will examine and simultaneously register all claims.

The achievement of such an agreement signifies an important success in the work of the commission, which has thereby gotten right down to exercising of one of its basic functions--regulation of the development of the resources of the sea bed prior to the convention coming into force. The last-minute attempt by a number of Western countries (including the Netherlands, the FRG and Great Britain) to frustrate the achievement of the said agreement was not supported in the commission.

But the said arrangement also means that the commission, cutting off from the process of the settlement of disputes and registration those who have not signed the convention and have not submitted claims, is confronting the Western consortia which made the decision to operate outside of the commission with a complex dilemma. They can continue to attempt to operate in circumvention of the convention and the commission, but this is risky insofar as the commission could issue legitimate applicants authorization in a sector which the former have prospected. Or, on the other hand, to avoid the risk they will have to submit a claim via a state which has signed the convention, but which has not yet submitted a claim

However, there are four Western consortia, but as yet only two attesting states--the Netherlands and Canada. The consortium or attesting state has to present here convincing proof of the given state's effective control over the given consortium, which will evidently require the urgent reregistration of the consortium and a number of other measures. In addition, the attesting state must assume before the commission a number of commitments and also assume commitments before the future international sea bed authority. This means that, besides reregistration, it is essential to distribute within the consortia the burden of commitments such that the attesting state not assume on its account outlays connected with rights and advantages being obtained by other states and their companies.

Thus having concluded a separate secret deal on the division of the most promising sectors of the sea bed among themselves and having enshrined this division in the intergovernmental agreement of 3 August 1984, the eight Western countries counted on confronting the commission with a fait accompli and forcing it to acquiesce. However, in practice it was all the other way about. Having arrived at the arrangement concerning registration of the first applicants, it was the commission which confronted the United States and its partners with the prospect of the registration in sectors prospected by them of other claimants entirely. Essentially the commission thereby took a step leading to the actual cancellation of the said separate division. The commission confirmed, albeit after a stubborn struggle, the soundness of the USSR's position, which is supported by the Group of 77 and consists of the fact that only countries which have signed the convention applying for the registration of primary investors attested by them should participate in the settlement of disputes

#### IV

The progress in the commission's work, primarily the step it took on the way to the start of registration of the first applicants, has directly confronted a number of countries which have not signed the convention and which are blindly following the United States in attempts to create separate conditions of the recovery of resources of the sea bed with the prospect of remaining without a legitimately obtained sector altogether. This has caused some of them, primarily the FRG, manifest concern.

As already pointed out, in accordance with Resolution II, access to the exploration of resources of the sea bed may be gained by a number of countries via international consortia. Among these is the FRG, whose firms are together with companies of the United States, Japan and Canada part of the Ocean Management consortium. The negative consequences of blindly following the lead of the Reagan administration were revealed for the FRG (and certain other Western countries) as early as April 1982, when it became clear that the United States would not sign the convention. Today something else is apparent also--the American companies controlling the said consortium have decided not to address a claim to the commission and to operate outside of its framework. A situation has been created within the FRG would not acquire a sector even if it signed the convention. For this reason the FRG addressed to the commission in August 1984 a request that it acquire a sector not as part of the consortium but independently, for a national company, as provided for for India, the USSR, France and Japan.



However, for a serious examination of this question it is essential, first, that the FRG sign the convention. It is well known that there have been disagreements on this question in political and government circles of the FRG. Some of them are opposed to signing the convention, others are calling for this to be done immediately. Bonn's representatives have given emphatic hints that a positive preliminary decision by the commission on the question of the possibility of the acquisition of a sector for an FRG national company could help Bonn adopt the decision to sign the convention.

There remains, further, the question of at whose expense the FRG could acquire a national sector. After all, even now Resolution II permits a manifest bias to the detriment of the interests of the socialist countries, which have obtained only one sector out of the eight. If the FRG claims an additional sector over and above the quota of the Western consortia, this will merely intensify the unjust allocation of sectors. However, if it is a question of obtaining a sector from the quota of the consortia in one of which the FRG's companies are incorporated and which does not itself intend realizing its right to the sector, this could change things.

Finally, in any event there remains the main question: observance by the FRG, if it signs the convention, of the provisions, rules and regulations of this most important document. This evidently means in practice that the FRG should withdraw its firms from the consortium. Otherwise it would be that for participation in the consortium, which intends operating outside of the convention framework (consequently, within the "mini-treaty" framework and contrary to the convention), the FRG would obtain from the commission a bonus, as it were, in the form of a national sector. The absurd situation would be created where the FRG would mine resources of the sea bed simultaneously in accordance with the convention (in the sector which it would obtain from the commission) and contrary to it (that is, in accordance with the "mini-treaty" and within the framework of the consortium controlled by the United States).

Incidentally, the said dangerous parallelism concerning the participation of a state which has signed the convention already exists in practice. As mentioned earlier, Japan submitted a claim for a sector for its national company. Simultaneously Japanese companies participate in two consortia which intend operating within the "mini-treaty" framework. Nor is it entirely clear how Paris and The Hague conceive of the possibility of simultaneous participation in the work of the commission (and, in France's case, even the acquisition of a sector through the commission) and continuation as a subscriber to the "mini-treaty" operating in circumvention of the commission and in violation of the convention. The political and other consequences of such a situation have yet to be examined in the Preparatory Commission, although this is hardly to be avoided.

At the same time the FRG's formulation of the question of a national sector reflected manifest recognition of the fact that obtaining it through the commission is undoubtedly more reliable and preferable to the separate path which the United States as yet permits itself, but the soundness of which is being doubted increasingly by the remaining countries close to it.



During discussion of this question the East European socialist countries declared the need for the allocation for them of an additional sector. The third session of the commission, which will be convened in March-April 1985 in Kingston, will examine the question of the allocation of a sector for the socialist countries.

Under the pressure of the CDU-CSU the decision was made in the leadership of the ruling coalition at the end of November 1984 not to sign the convention. This was the result of Reagan's direct appeal to the FRG Government virtually demanding that the United States not be allowed to remain in isolation on the question of signing the convention. Thus the FRG's refusal to append its signature to the convention is a striking example of the country's national interests being sacrificed to the imperialist ambitions of the U.S. Administration.

## V

In the course of the last session a further question connected with claims to sectors arose. It was raised by Brazil, which declared its intention to seek to obtain a sector. In accordance with Resolution II, developing countries may claim such a sector with primary investor status if, as has been pointed out, they spend prior to 1 January 1985 \$30 million on general operations and \$3 million on prospecting. Brazil cannot fulfill this condition within the specified time. For this reason it would like the Preparatory Commission to postpone the said time, which (just as in the FRG's case) would mean a considerable revision of Resolution II in essence.

It may even be claimed that in connection with Brazil's request the problem of a radical revision of the very essence of the resolution arises. The purpose of the elaboration and adoption of this document was the creation of a temporary mechanism for safeguarding the interests of those who had exercised so-called primary activity, that is, invested considerable capital in the development of resources of the sea bed prior to the signing of the convention and, even more, prior to it coming into force. It was with precisely this task that the specified times of recognition of capital investments made earlier indicated in Resolution II were connected (for the USSR, India and eight Western countries prior to 1 January 1983, for developing countries no later than 1 January 1985). A change in these specified times would mean revision of the fundamental idea of the document. Resolution II would cease to be a mechanism for the protection of capital investments made earlier and would become simply an instrument for gaining access to sectors of the sea bed prior to the entry into force of the convention.

In connection with the said appeal of Brazil information appeared concerning the intention of several developing countries (individually and jointly) to seek postponement of the specified times for the purpose of acquiring primary investor status. At the same time the material-technical potential of the developing countries claiming primary investor status remains highly uncertain. Prospecting and exploration of the resources of the abyssal sea bed require the use of particularly complex and costly technology which can only practicably be owned by countries with a developed engineering complex. Appeals

of the corresponding developing countries to states which could act as technology donors are evidently to be expected. It cannot for this reason be ruled out that this could afford the same Western consortia an opportunity for gaining back door access, as it were, to sectors of the sea bed.

Despite all the doubts that have been expressed, the lengthening of the list of primary investor candidates is strengthening the positions of the Preparatory Commission and enhancing the authority of the convention as the sole instrument in international law in the business of development of the resources of the sea bed beyond the confines of national jurisdiction. Such factors as the constant increase in the number of countries which have signed and ratified the convention are also operating in this direction.

All this indicates that "the caravan is moving," although this development of events is not to the liking of some people. Despite the constant attempts to impede this positive process, for the past two sessions of the commission its work not only has not been frustrated, on the contrary, an increasingly large number of states aware of their responsibility for the fate of the convention and the prospects of equal international cooperation in the development of ocean resources is becoming involved therein.

The commission has already embarked on discussion of the entire sum of problems connected with the creation of an international sea bed authority and international law of the sea tribunal. Elaboration of the provisions, rules and procedures of administrative and financial control of the international authority and the mining of minerals (the Marine Mining Charter), preparation and implementation of measures for the creation within the framework of the international authority of its managerial unit--the enterprise--and study of the consequences for the developing countries exporting raw material of the production of similar types of raw material from the resources of the abyssal sea bed are what is most important.

All these problems, the basic aspects of the solution of which were regulated in the course of the Third UN Law of the Sea Conference, remain quite complex insofar as it is today a question of methods of the practical application of the provisions agreed during discussion of the said problems and adaptation of these provisions to the new economic and political conditions taking shape in the sphere of development of ocean resources.

## VI

In the 1970's, when by way of lengthy and complex negotiations an international regime of use of the resources of the sea bed had gradually been drawn up, there was a tendency of a relatively high rate of growth of the world consumption of nickel--the main purpose of the future development of ferromanganese concretions. On the eve and at the outset of the 1980's, for a whole number of reasons of a long-term nature, the effect of this tendency came to a halt. Simultaneously market factors have brought about a considerable drop in the consumption of nickel for a number of recent years. The metallurgy industry of the capitalist countries as a whole has been in a depressive state.

Inasmuch as activity in developing marine concretions is undertaken by metallurgical companies, as a rule, they, taking the changed situation into consideration, have in recent years practically frozen the investment process in this new sphere. A number of foreign experts points out that the economic prerequisites are not yet ripe for promotion of the commercial production of metals from concretions. The anticipated production costs could be considerably in excess of expenditure on the development of the deposits on land, including closing outlays. It is a question here of costs in which the developer's considerable financial and other commitments to the future international sea bed authority are not considered.

Besides the reduction in world nickel consumption, which has brought about a corresponding slowing of primary activity in the preparation of marine concretions for development, there have also been changes in the material prerequisites for the creation of an international sea bed authority. The point being that in accordance with the convention, the budget of the international authority in the first years of its existence and also the budget of the enterprise are to be secured by contributions of the states which subscribe to the convention, which are determined by the scale of contributions to the UN administrative budget.

Meanwhile the convention has not yet been signed by countries whose aggregate liability in accordance with this scale constitutes an impressive amount. Furthermore, signing the convention still does not mean for the signatory state the assumption of any economic commitments. Such commitments arise only following ratification of the convention. It is fitting to recall here that when signing the convention a number of countries made their future position on its ratification conditional upon the degree to which the provisions and rules of the application of the international regime of the sea bed take account of the changed economic and other prerequisites of the development of its resources. Whence it follows that, given a failure to observe this condition, the shortage of resources for the international authority and its enterprise could assume crisis proportions.

Therefore in examining the preparatory measures for the creation of the international authority it is necessary to provide right now for the high probability of a considerable shortage of financial and material resources and, consequently, the urgency of the elaboration of the most economical methods of the gradual creation of this costly organization. To this end the Preparatory Commission should study various operational outlines of an international authority in order to ultimately avoid an unacceptable financial and technological burden for the main donor--countries. The need arises in this connection for a solution on a consensus basis of the questions of the international authority's activity which could have financial-economic consequences for its participation.

The long-term reduction in the growth rate of world nickel consumption is an extraordinarily important new prerequisite when studying the consequences of regulation of the mining of resources of the sea bed in accordance with the provisions of the convention. The point being that the convention provides for the possibility of strict methods of such regulation to prevent or limit possible negative consequences of the development of the resources of the sea bed for the developing countries producing similar raw material on land.



Distribution of an increase in world demand between the producers of the raw material from sources on land and on the sea bed should be used as a basic method of regulation. Given a low growth rate of world consumption, this approach ensures a slow, but, nonetheless, actual growth of production on land. It may simultaneously in practice not allow the possibility of the development of resources of the sea bed, bearing in mind the need to obtain from the international authority permission for a certain volume of the production of resources.

The above-mentioned signing of the "mini-treaty" is closely connected with the question of the regulation of the mining of concretions and the prevention of damage to the export proceeds of the developing country-producers on land. If just some of the eight subscriber-countries begin the industrial development of the concretions, ignoring the convention and the international authority, the regulating actions of the international authority cannot be conceived of either theoretically or practically. In this case, evidently, the provisions of the convention could not be applied without seriously infringing the interests of the convention member-countries involved in the development of the concretions.

There is a whole number of other questions on whose solution within the Preparatory Commission framework it will depend how extensive states' practical participation in the convention and the international sea bed authority will be and, consequently, how effective the convention will prove. At the present stage--signing and the process of ratification which has begun--the main struggle against the forces which, headed by the United States, are opposed to the convention is being conducted in a sphere new for interstate relations--that of the use of resources of the international area of the sea bed. The opponents of the convention are unwilling to recognize its compromise provisions on the corresponding questions. Yet these provisions are part of the indivisible convention "package," that is, the sum total of interconnected compromise decisions on various aspects of the use of the oceans. For this reason countries not recognizing one part of the convention may not enjoy the rights and benefits ensuing from other parts thereof.

Unswerving observance of all the convention's provisions is the sole way of converting it into a practicable and principle instrument of the rule of law on the seas. It should be noted in this connection that upon ratification of the convention by any country the implementation of measures to bring national legislation fully into line with all the provisions of the convention is essential. Violations of this process would afford countries whose interests could prove to be affected by the national laws of other states contradicting the convention with an obvious pretext for not recognizing, in turn, the provisions in which the violator-states are primarily interested.

This conclusion is directly related to the work of the Preparatory Commission. Countries most interested in the creation of an international sea bed authority have to consider that their failure to observe the provisions of the convention concerning shipping, fishing or marine scientific research will be reflected negatively in the preparatory measures for the creation of this new



international organization. The "package" principle operates not only in respect of mandatory observance of the regime of the sea bed but of all other parts of the convention also.

The two sessions of the Preparatory Commission which have been held have shown that the attempts of the United States and its allies to overturn the results of the Third UN Law of the Sea Conference, undermine the convention and frustrate the work of the commission have failed. The United States' imperial ambitions have been dealt a firm rebuff. The commission is functioning successfully and moving forward in realization of the goals confronting it. The cooperation of the world community in realization of the entire set of provisions of the convention is continuing, despite the obstructionist actions of the U.S. Administration.

The work of the commission, which is engaged in preparing the conditions for the entry into force of the convention, has reached an important new stage, which confronts a number of countries which have not signed the convention and also some of them which have signed the convention, but which are in practice pursuing a policy at variance with its provisions with the need to adopt responsible decisions which could have palpable political, economic and legal consequences.

There is growing recognition in West European countries which have not signed the convention that blindly following the destructive policy of the Reagan administration does not correspond to their long-term political and economic interests and may not only impede states' participation in the process of development of the wealth of the sea bed but also harm their interests in the sphere of shipping, fishing, marine scientific research and so forth. Essentially sentiments are strengthening in all these countries in favor of becoming subscribers to the convention. Only the most diehard conservatives of M. Thatcher's immediate entourage and the CDU/CSU leaders unconditionally approve of Washington's position on the question of the convention.

Japan, France and the Netherlands, which have signed the convention, but which at the same time support the United States' obstructionist policy, cannot fail to understand that the attempts to simultaneously occupy two stools are lessening the trust in them as convention partners. Greater clarity in respect of the convention and the "mini-treaty" would be desirable in Canada's position also, which has changed somewhat following the assumption of office in September 1984 in this country of a conservative government.

On the other hand, the policy of a number of littoral, straits and archipelago developing countries, particularly in Latin America and Asia, which even following the signing of the convention preserve national laws contradicting and limiting other states' rights in questions of the use of the sea expanses, can hardly be acknowledged as farsighted. It has to be seen that such a policy ultimately facilitates the attempts to undermine the convention being made by the Reagan administration.

Finally, the time has come for Washington also to look the facts in the face and acknowledge the futility of the endeavors to impose its diktat on the world community. Many prominent figures of preceding U.S. administrations, politicians, representatives of the business world and scientists understand that the longer the United States remains aloof from the convention and the commission, the greater the political and economic losses it will incur.

The use of the oceans is a major present-day global problem. To participate in this process while ignoring the agreed mechanism of international legal regulation and on the basis merely of ambitious national laws and of counterposing oneself to the international community is a dangerous utopia incapable of winning laurels for the supporters of such an approach. Activity in which practically all states are involved should inevitably be exercised within the framework of a jointly determined rule of law uniform for all. The UN Law of the Sea Convention corresponds to this requirement in full measure.

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## KOHL DOMESTIC, FOREIGN POLICIES 'DANGEROUS' FOR FRG

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[Article by I. Basova, L. Volodin, S. Sokol'skiy and V. Shenayev: "The FRG: Dangerous Trends"]

[Text] The start of the 1980's is characterized by big changes in the economy and policy of the FRG. In 1980 the country embarked on the most profound crisis since the war, which in 1983 had become a depression. A slight recovery came about only in 1984. However, contradictions of the cyclical nature of reproduction (weakness of the investment process, the huge underloading of production capacity, the narrow framework of effective demand, capital depreciation and so forth) and complex problems of structural shifts in the economy have yet to be solved.

The conservative CDU/CSU parties in a bloc with the FDP came to power in the fall of 1982, which led to certain changes in the economic and social spheres and domestic and foreign policy. Under the conditions of the sharp exacerbation of the international situation caused by the aggressive course of the U.S. Administration the assumption of office by conservative forces is particularly dangerous.

The H. Kohl-H.-D. Genscher government is changing the country from an equal partner to a faithful ally of the United States. National interests are being sacrificed to solidarity with the R. Reagan administration. This has been manifested primarily in the deployment on FRG territory of American intermediate-range missiles, which are aimed at changing the strategic balance of forces in favor of the United States and NATO.

Simultaneously Bonn is endeavoring to take advantage of relations with Washington to strengthen its positions in the EEC. The FRG Government is attempting to reduce the process of "Europeanization" of military-political strategy which has been discerned to a certain extent under the influence of the United States' aggressive policy merely to a strengthening of the West European prop of Nato under the aegis of the United States.

# I

The entire course of events of the latter half of the 1970's-start of the 1980's testifies that the West German economic mechanism has encountered a long-term deterioration in the conditions of the reproduction of capital. The increased economic instability, structural crises, mass unemployment and stagflation have revealed the ineffectiveness of the previous instruments of state-monopoly regulation. Neoconservative economic concepts have been revived, and the influence of monetarism has increased. Business circles have begun to experience a sense of alarm and to demand more emphatic support for their activity for the purpose of restoring the shaken competitive positions in the world arena. Particular dissatisfaction was caused by the excessive, from their viewpoint, regulating intervention of the state in the economy and social concessions to the working people.

Succumbing to pressure on the part of capital and the CDU/CSU opposition parties, the SPD-FDP government headed by Chancellor H. Schmidt took a number of steps in the direction desired by these forces. As of the mid-1970's the emphasis was put on stabilizing the economy, by which in practice was understood the granting to the employers of new tax benefits and cash subsidies.

State-administrative activity and programming were replaced by a stimulation of private enterprise. However, considering the mood of broad strata of the working people, who constitute the party's mass base, the SPD leaders did not abandon measures to reduce unemployment.

It seemed for quite a long time that the FRG was coping with its difficulties better than many other capitalist states. It had been assigned the role of "locomotive" in West Europe's economy. But when the country was hit with a very severe crisis in 1980, it became obvious that under these conditions such a role was beyond its powers. A change of power occurred at the height of the crisis. The CDU/CSU succeeded in taking over the reins of office on the wave of working people's discontent with the economic policy of the previous government.

The CDU/CSU leadership sees the first cause of the socioeconomic difficulties being experienced by the country in the policy of its predecessors. It is it, it believes, which led to the "intolerable" growth of state spending and the "inordinate" burden on the economy of taxes, social withholdings and so forth. "As a consequence of Social Democratic policy of the 1970's," the CDU's "Stuttgart Theses," which were adopted as the party's socioeconomic program for the 1980's, observe, "the state's share of the gross social product grew too strongly, state spending and indebtedness increased exorbitantly and bureaucratization and state regulation increased. As a result personal initiative in the state and society was partially paralyzed, structural changes in the economy were blocked and investment declined, which, together with other factors, engendered unemployment."<sup>1</sup>

The Christian democrats' criticism was leveled primarily at the government's social spending and the policy of social services, which was allegedly a basic condition of the shaping of an inflationary mentality, which counted on



a rise in personal income. As the CDU/CSU asserts, the crisis of state finances and the social insurance system was caused by the "unwarranted claims" of the working people and the trade unions.<sup>2</sup>

The CDU/CSU sees the root of the evil in the fact that in withholding an inordinately large proportion of the GNP and redistributing it via the budget mechanism and the social insurance system the state is allegedly diverting resources from productive use and impeding the process of capital accumulation. Whence the need for a shift of accent from the Keynesian policy of an expansion of state demand to the stimulation of private investment. The government considers the main task encouragement of the production of the private sector based on a strengthening of its intrinsic impulses, that is, it is a question of the maximum release and use of market forces for economic growth.

In the opinion of ruling circles, it is essential to reorient state intervention and make it not so much regulatory as stimulating in respect of private enterprise. The emphasis here should be put on long-term goals, given a lessening of intervention for short-term purposes. "...There is no necessity for political operations in the market," the government's economic report for 1983<sup>3</sup> emphasizes. Everything should be subordinated to the job of creating the most favorable general climate for businessmen and, primarily, for an increase in their profits.

In his second government statement (4 May 1983) Chancellor H. Kohl formulated the initial premises of economic policy thus: "Only economic growth achieved by way of an increase in investments leads to an additional supply of jobs. Capital investments here are the prerequisite of the essential modernization of our economy. The prerequisite of the formation of capital, on the other hand, is an increase in our firms' profitability."<sup>4</sup>

Relying on the 20-year experience of the "social market economy" and also taking advantage of "Reaganomics" and "Thatcherism," the H. Kohl government is paying the main attention to the accumulation of private capital and an increase in the proportion of concerns' self-financing. The reverse side of this policy is a reduction in state investment and personal demand, which in the 1970's were the main driving forces of development.

## II

The class import of the FRG Government's economic program consists of the utmost strengthening of the positions of big capital, redistribution of national income in favor of the latter and a broad offensive by the state and the monopolies against the working people's vital interests. The program incorporates "consolidation" of the budget, tax reform, a reduction in subsidies and the "pushing back" of the state.

The central place has been occupied by the problem of "consolidation" of the budget. In accordance with the government's plan, the main purpose of budget strategy is by 1988 to have gradually reduced the federal budget deficit to DM22.4 billion (in 1982 it constituted DM63 billion and in 1983 some DM55 billion, while DM33.6 billion was planned for 1984).

It is anticipated that the increase in overall budget expenditure in the next few years will be lower than the increase in GNP (prior to 1983 state spending outpaced GNP in growth, but has lagged behind since 1983).<sup>5</sup> In recent years the government has reduced taxes on businessmen. As far as the heralded tax reform is concerned, that is, a lowering of individual income tax rates with a reduction in tax assessments, it will be carried out only when the federal debt has been reduced.

The basic instrument of the "recovery" of state finances and the social insurance system in the present government's program is a reduction in appropriations for social needs and public education. The first wave of such reductions rolled by in 1983. It affected benefits for children and pensions. The charges for medication and hospital treatment, insurance contributions to the pension fund and in the event of unemployment and so forth were increased.<sup>6</sup>

The second wave hit at the start of 1984. With the adoption of the budget for this year and a number of laws accompanying it the amounts of the unemployment benefits and benefits to single mothers were cut, the regular wage increase for civil servants was deferred, appropriations for education were reduced a further 13 percent and so forth. According to H. Muhr, deputy chairman of the German Trade Unions Association, as a result of the "social dismantling" policy workers, employees and those receiving benefits would be deprived in 1984 of social services to the overall value of DM50 billion.<sup>7</sup>

According to estimates of the German Trade Unions Federation, merely as a consequence of the reduction in unemployment benefits 20 percent of unemployed men and 80 percent of unemployed women would be forced to live on means far below the official living wage.<sup>8</sup> At the same time, on the other hand, businessmen, as in the preceding year, have received a new "tax gift" totaling DM3.5 billion (basically thanks to a lowering of the property tax and an improvement in the opportunities for depreciation deductions).

Originally the government also intended an appreciable cut in subsidies to sectors, primarily steel and shipbuilding, experiencing an acute crisis and using the resources thus released for supporting promising sectors. Bonn's leaders are still insisting on this. "We need money for the industry of the future and cannot allocate it to sectors where everything is behind the times," former Minister for Economics O. Lambsdorff declared.<sup>9</sup> He is echoed by A. Dregger, chairman of the CDU/CSU faction in the Bundestag: "Our future... lies in microelectronics, new means of communications and nuclear power stations."<sup>10</sup> However, the government's plans in this sphere are encountering stubborn resistance by a considerable proportion of businessmen, and there has been no reduction in subsidies yet.

A particular place under present conditions belongs to the government's proposals for "pushing back" the state. Of course, it is not a question of abolition of regulation of the economy on the part of the government or of some winding down of state-monopoly capitalism. What is meant by "pushing back" is a change in the priorities in the system of state-monopoly capitalism, a profound transformation of the forms of state intervention in the economy and adaptation of the specific goals and methods of this

intervention to the changed situation. Essentially it is a reform of state-monopoly regulation. It includes as basic components a reduction in spending on maintaining the machinery of state and a reduction in the numbers thereof and measures to "reprivatize" ownership and decentralize control.

The H. Kohl cabinet has continued the privatization of the FEBA semistate concern begun back in the 1960's. Other most likely candidates are the Volkswagenwerk auto monopoly and the Lufthansa aviation company. The government proposes abrogating the decrees on environmental protection, safety equipment, protection of the rights of young people at enterprises and so forth. Instructions concerning certain questions of regulation in industry and construction are also being revised for, as declared in the CDU's "Stuttgart Theses," "superfluous decrees and laws are hampering structural change and internal initiative in the economy."

"Reducing the bureaucratic overloading of firms" is intended in practice to restore "normal" conditions of market competition, stimulate private initiative and enhance the competitiveness of the West German economy. For an improvement of the conditions of the financing of capital investments it is proposed to facilitate enterprises' access to the stock exchange by way of a change in tax legislation governing commercial-industrial companies and exchange deals.

Theoretically the government's program has imbibed elements of monetarism, "supply-side economics" and, partially, neo-Keynesianism. However, there is no doubt that with the assumption of office of the CDU/CSU the entire system of economic views and instruments of the ruling circles has shifted in the direction of the "neoclassical pole".

The cabinet is forced in adopting decisions to take into consideration a mass of factors, primarily the correlation of socioeconomic forces in the country, parliament and in the ruling coalition itself even. Wishing to avoid an open confrontation with the unions, the government has not dared to satisfy some of the most odious demands of the employers. As a result it is being attacked both from the left and the right. The opposition parties (the SPD and the Greens) and the trade unions are justly accusing the government of "unparalleled social dismantling," while the extreme right forces are accusing it of "indecisiveness" and of "flirting" with the unions.

Prior to his resignation, the spokesman for the forces of the right in the government was O. Lambsdorff.<sup>11</sup> Back in September 1982 he prepared a special memorandum which contained demands for a sharp reduction in appropriations for social needs and the granting of concessions for capital investments.<sup>12</sup> The memorandum proved completely unacceptable for the SPD and even for its right wing. If the SPD had consented to the Lambsdorff demands, this would have led to the party's complete loss of its own "profile" and increased the already noticeable estrangement in its relations with the unions. For this reason the social democrats preferred to consent to a breakup of the coalition with the FDP, although this outwardly appeared to be the initiative of H.-D. Genscher.

The moderate conservative circles in the CDU/CSU, among which Chancellor H. Kohl may be put, are adopting decisions in the interests of monopoly capital, but lending them a semblance of "social consensus". The government is promising, for example, to enlist the working people in "co-ownership" at the enterprises. It thereby wishes to revive, as it were, the policy actively pursued by the CDU/CSU in the 1950's-1960's. However, it is well known that it gave the working people neither ownership of the means of production nor participation in their control.

Besides its ideological function, "co-ownership" and "profit-sharing" are designed to tackle in the interests of monopoly capital perfectly definite economic tasks. The new stage of the scientific-technical revolution and the increased competitive struggle on an international scale have exacerbated the problem of capital accumulation. With the help of "co-ownership" the monopolies and the state are attempting to mobilize for investment needs part of the wages or savings of the working people.

There are many contradictions in the government's economic policy. They have been brought about by the difficulties with which the attempts to establish the necessary balance between long-term strategy and the demands of the current moment are connected. Thus while in opposition the CDU/CSU protested repeatedly against the increase in taxation. However, on assuming office they embarked on the path of an increase in indirect taxes, the most unfair, regressive taxes on the consumer, incidentally.

The constriction of aggregate demand has been accompanied by a further rise in unemployment. It increased on average in 1983 to a record level in FRG history--2,258,000 persons. Finally, on the one hand the government is demanding freedom of private enterprise and the "pushing back" of the state. On the other, with the help of state measures, it is attempting to stimulate business and its investment activity.

In spite of all the propaganda statements of neoconservative ideologists concerning the disastrous nature of state intervention in the affairs of private business and the need for a return to free enterprise and a self-regulating market system, in reality the influence of the state is not abating. Only the form of its intervention in the economy for the purpose of strengthening the might of monopoly capital is changing.

### III

A multitude of articles has been published in the foreign press recently concerning the FRG's growing technology lag behind the United States and Japan in certain most promising sectors of production and R&D, primarily in microelectronics, robotics and biotechnology. The stagnation of a number of the FRG's registered patents in recent years also testifies to this.

The existence of a technology gap between the United States and Japan on the one hand and the FRG on the other is acknowledged in the country's business and political circles. Thus a recent SPD program document emphasized that West Europe "has lagged technologically in many spheres behind the United



States and Japan, particularly in the sphere of microelectronics."<sup>13</sup> The CDU also notes the same in its "Stuttgart Theses": the FRG has found itself playing "catch-up" in "the development and use of important key technologies such as, for example, microelectronics and biotechnology."

The lagging in a number of fields of the latest technology is fraught for the FRG with the risk of serious economic losses. But for the ruling class this problem has, in addition, political and psychological aspects. The first consisting of the fact that it has become more difficult for the country to defend its own interests in respect of competitors, in the EEC included. The second consisting of the serious undermining of the notions concerning West German economic might and the dispelling of the myth of the "German genius for engineering design".

The problem of the FRG's competitiveness on world markets is closely connected with the question of its technical lagging. It has weakened markedly in the last 10 years under the influence of both domestic and external factors. Economic development indicators and the conditions of reproduction deteriorated in the 1970's compared with the 1950's-1960's. The rate of growth of the entire economy and labor productivity declined, production costs increased, the profit norm dropped and the investment process slackened.

The proportion of self-financing declined and indebtedness increased at many firms. Thus the proportion of investments in the GNP, which in "normal" times amounts to 24 percent, had declined to 21 percent at the start of the 1980's; and the proportion of intrinsic capital in companies' balance sheets fell from 26 percent at the start of the 1970's to 21 percent, and in certain medium-sized firms even more. The investment process experienced a negative influence on the part of the unusually high interest rates on the loan capital market.

A strong negative influence on the West German economy was exerted by the sharp increase in the world prices of raw material, primarily oil, as a result of the two "oil shocks" of the 1970's. And the FRG, furthermore, which possesses negligible energy raw material resources of its own, suffered more than certain other capitalist states.

In the economic rivalry with the United States and Japan the FRG is maintaining only its foreign trade positions, but this is the case basically thanks to exports of products of the traditional sectors. However, according to specialists' forecasts, the demand for producer goods in the next few years will grow only slowly, which erects certain barriers in the way of export expansion. Their very extensive "palette" notwithstanding, exports from the FRG also have certain regional weaknesses: they go basically to the developed capitalist countries, primarily the EEC.

The FRG is making tremendous efforts to prevent a further lagging behind the main imperialist rivals. It is a question of a rise in the competitiveness of West German products. While inferior to Japan and the United States in this respect, the FRG maintains the leading position in West Europe. The data of a survey conducted by the European Management Forum international

organization testify to this. Consolidating positions in the capitalist world--this is the main strategic task which has been tackled by the country's monopoly capital and government, as of the latter half of the 1970's.

#### IV

In order to adapt to the new conditions of the scientific-technical revolution and also to the exacerbation and complication of the competitive struggle the FRG's ruling circles are operating in three basic directions. First, they are endeavoring to increase the returns from expenditure on R&D. The emphasis is being put on a stimulation of research, primarily in the major concerns and universities, and the accelerated introduction of achievements in practice. Second, the government is endeavoring to turn the EEC into a truly "domestic market" of the members in order in this way to compensate for the lack of its own domestic market compared with the United States and Japan. Third, the GNP is being redistributed in favor of big capital, and pressure on the working people's living standard is being increased sharply.

Proceeding from the allegedly "unduly high" manpower costs (according to certain data, they are 1.4 times higher than in Japan), big capital is pursuing a policy of limiting and reducing wages. An avowed gamble is being made here on the use of unemployment as a means for weakening the power of the unions and increasing among the working people a sense of anxiety with respect to their jobs. The employers' demands are being supported in government circles. Chancellor H. Kohl, Minister for Labor N. Bluem and other representatives of the ruling coalition address the unions virtually daily with "exhortations" and appeals for the observance of "moderation" and "restraint" in negotiations with the employers.

The tough policy of the employers and government on questions concerning relations between labor and capital is confronting the worker and trade union movement with difficult problems and complicating pursuit of the "social partnership" policy traditional for the unions. New, broader opportunities are thereby opening for the activity of the forces of the left adhering to consistently class-based positions. But at the same time weaknesses of the trade union movement, in which, as before, social-reformist views and principles predominate, have also been revealed distinctly.

As is known, the economic crisis hit the working people hard. But even in the recovery phase, which began at the end of 1983, the living standard has continued to fall. According to data of the Alternative Economic Policy group,<sup>14</sup> in the period 1979-1983 workers' and employees' real wages declined 5.1 percent. At the same time, on the other hand, the net profits of the owners of the means of production increased 12.2 percent in real terms.

The fact that the crisis and its consequences have affected different detachments of the working people dissimilarly is objectively leading to increased "segmentation" in the working class and workers movement, which the employers are using in their own interests, pursuing a differentiated policy in wage negotiations with the unions. On the other hand the strained situation concerning employment and the feat of losing their jobs are stimulating trends toward a certain weakening of the working people's collective actions.

Under the crisis conditions the strength of the unions has declined somewhat: 108,000 persons quit the ranks of the German Trade Unions Association (DGB) in 1982, while approximately 100,000 more left in 1983. "Where there are no jobs, there can be no trade unions. The loss of jobs and unemployment are reducing the number of union members"--this is how a representative of the Metalworkers Union explains this phenomenon.<sup>15</sup> But there are also other reasons for the decline in the degree of the working people's organization in unions. Among them should be put some workers' and employees' disenchantment with the policy of the trade union leadership, from which they expect more resolute defense of their interests. The persistent endeavor of the ruling circles to introduce a spirit of competitiveness and individualism in the worker environment designed to replace the sense of class solidarity is also obviously reflected.

In response to the concentrated offensive of the employers and government the DGB is putting forward an alternative program. The unions advocate an increase in the role of the state in the economy since, they are convinced, it is not the free market and private capital but primarily the state which can ensure the creation of new jobs. The DGB is demanding the adoption of a state program to maintain employment of an overall sum of DM50 billion over 5 years. The unions are insisting on a restoration of a number of the allocations which have been cut in the sphere of social security and public education. A principal DGB demand is a broadening of the working people's right to participate in enterprise management.

Naturally, the unions' particular concern is caused by the high level of unemployment brought about not so much by cyclical market fluctuations as by structural problems. West German experts' forecasts do not envisage an appreciable acceleration of the economic growth rate in the next few years.

The change in the demand for manpower under the impact of scientific-technical progress and economic conditions is jeopardizing the government's strategy of the solution of the employment problem oriented predominantly toward stimulation of private capital investments. On the other hand the experience of past years, particularly the failures of the Social Democratic employment programs, testifies to the relative ineffectiveness of the policy of increasing manpower demand.

For this reason the situation itself is prompting the unions to turn to measures influencing manpower supply, primarily a reduction in work time. The DGB is demanding the introduction of a 35-hour week with the full retention of wages. The unions are linking with this a reduction in unemployment, an easing of the negative consequences of labor intensification being implemented by the employers and the granting to the working people of broader opportunities for individual development and participation in social life.

The unions' demand for a reduction in the work week is evoking acute conflicts in industry. "It is a question not only of an extraordinary measure designed to impede the continued growth of unemployment but also of a most important socioeconomic task," H. Jansen, member of the board of the Metalworkers Union, declared.<sup>16</sup>

This demand is encountering the most resolute resistance on the part of the employers' unions. They believe that realization of the said demand would be attended by an increase in enterprise production costs. It could entail a further streamlining of production and thereby impede the creation of new jobs. A reduction in work time according to the unions' prescription, the newspaper *HANDELSBLATT* writes, would also lead to "a new weakening of the economic strength with a simultaneous deterioration in the international competitiveness" of the West German economy.<sup>17</sup>

Turning aside the unions' demands, the ruling class is putting forward its own counterproposals. Employers and the government are promising to encourage the working people's early retirement on pension (with, it stands to reason, a reduction in the amount thereof) and to contribute in every way possible to the creation of "flexible" jobs (that is, the more extensive use of such forms of partial employment as temporary hire, flexitime, work at home and so forth). All these forms of temporary or partial employment are regarded by the employers as a means of exploitation of cheaper manpower inasmuch as such a restructuring of work time makes it possible to economize on wages and not pay the full amount of taxes and contributions to the social funds.

By speculating on the failures and blunders of the previous coalition and promising to pull the economy out of the crisis situation and create new jobs and reduce taxes<sup>18</sup> the Christian Democrats managed to delude some working people on the eve of the 1983 parliamentary elections. However, the workers' and employees' illusions are gradually beginning to disappear. The present relations between the government and the unions are characterized by tension. The DGB is exerting considerable effort to portray to its members in the proper light the antiworker thrust of the ruling coalition's socioeconomic policy. The unions are becoming increasingly convinced that with the change of power their legal opportunities for influencing the government via their representatives in the Bundestag have been lost to a considerable extent.

The FRG working class does not intend acquiescing in the tyranny of capital. The new upsurge of the strike movement in the spring-summer of 1984 testifies to this. In the course of the metalworkers' and printers' strikes, which lasted several weeks and which were accompanied by lockouts, the working people who are members of these unions managed to satisfy a number of their demands.

## V

The FRG's ruling circles are attempting to belittle in the eyes of the West German and international public the significance of the deployment on FRG territory of American nuclear missiles, asserting that "nothing has changed" as a result and that relations with the East, with the Soviet Union included, will be built on a "more serious basis". However, in practice this fact has become the most striking expression and a kind of culmination of a whole number of negative trends in the foreign (assistance to the aggressive course of the United States) and domestic (connivance at and, sometimes, open support for a variety of revanchist actions) policies which they have been



pursuing. Having consented to the deployment of American Pershings and cruise missiles in the country, the West German Government in fact acted as a principal instigator of the realization of NATO's "rearmament" decision.<sup>19</sup> The FRG's present militarist policy and active participation in the plans of the North Atlantic bloc have led the country in the sphere of international relations to subordination to American military strategy and contributed to an intensification of the process of militarization of the economy.

The FRG occupies one of the first places in the capitalist world in terms of conventional arms production. As of approximately the mid-1970's it has been manufacturing with its own resources or in cooperation with other countries practically all types of weapons needed to equip its armed forces. The FRG is the leader in West Europe in the sphere of missile production, and military electronics is growing rapidly; it is strengthening armored industry, a traditionally strong sphere of military production.

The state supports the major military-industrial monopolies in every possible way and ensures for them a guaranteed sales market. Military spending has been increasing considerably and the level of militarization of the economy has been rising in the 1980's. Whereas in 1970 the military budget constituted DM19.9 billion, in 1981 it constituted DM44.2 billion and in 1984 some DM49.8 billion, while for 1985 the Bundestag proposes approving a budget of the order of DM51.7 billion. Considerable amounts also pass through other departments, particularly the Ministry of Research and Technology. Altogether, according to preliminary data, the FRG's military spending will constitute DM70 billion in 1984 and DM73 billion (compared with DM39.9 billion in 1970) in 1985.

Militarization is exerting a big influence on the reproduction process. The proportion of military products in the economy is increasing constantly. Almost four-fifths of the product of the aviation and missile industry and one-fifth of the shipbuilding product are connected with military production. State purchases constitute almost 95 percent of military products in shipbuilding, 90 percent in the transport engineering product and 75 percent in automotive industry, more than 50 percent in the general engineering sectors, the production of steel structures and metal products and electrical equipment industry and so forth.

The military sectors are provided with personnel with the help of a special vocational training system. Top scientists and specialists are enlisted in military R&D. Actual spending on military research in the object program of the FRG Government constitutes approximately 30 percent. Direct spending on R&D alone amounted to almost DM2 billion in 1983 (10 percent more than in 1982). The same rate of growth is envisaged for 1984, while for 1985 it is planned to increase spending on R&D 29 percent compared with the preceding year.

Militarization is assuming global proportions, involving an increasingly large number of countries via foreign economic relations. Back in 1978 an agreement was signed between the FRG and the United States on cooperation in the sphere of R&D and the production and purchase and sale of arms and military equipment. This agreement was to have contributed to the broad

standardization of military equipment in the armies of the United States and the FRG and also to the more efficient use of financial resources (the elimination of parallel work in R&D, for example). Concluding this agreement, the West German monopolies counted on it helping them promote their military equipment across the Atlantic. And they were successful. While continuing to purchase weapons from the United States they themselves increased supplies to the U.S. armed forces. Whereas in 1977 the ratio of FRG imports from the United States and exports to the United States of arms and military equipment constituted 40:1, in 1982 it stood at 5.9:1.<sup>20</sup>

In 1981 a meeting of the NATO National Armament Director Council studied questions of planning the development of arms and military equipment within a bloc framework. A principal recommendation of the council was close linkage of national long-term programs for the creation of new types of weapons with the system of the planning of arms and military equipment established at this meeting; and the elaboration of joint plans for satisfaction of the requirements of NATO's armed forces for the 1990's.

The FRG is connected by supplies of arms and military equipment with more than 70 countries and occupies fourth place in the capitalist world in terms of the volume of military exports, which, according to certain estimates, amounted to \$1.2 billion in 1983. It supplies weapons both to NATO members and the developing countries, the volume of exports to which constitutes two-thirds of West German military exports. Mainly tanks and warships are exported to the NATO countries, to developing countries modern combat aircraft, missiles and other types of weapons.

The FRG participates in the creation and expansion of the military-industrial base in the developing countries, organizing here an ever increasing number of daughter companies for arms production. West German firms do not confine themselves to weapons supplies but also sell licenses for the production of military equipment and assist in the training of military personnel and specialists.

The pronounced growth of the production of conventional types of arms in the FRG is connected with the monopolies' endeavor to strengthen their positions in the competitive struggle on the capitalist arms market. The ruling circles intend employing the slogan of arms "Europeanization" to strengthen the FRG's positions in NATO.

The strengthening of the FRG's positions in NATO's Eurogroup should be considered an important feature of its military-political development in the 1980's. A manifestation of this trend was the revival in 1984 of the Western European Union (WEU), the rapprochement within its framework of the FRG and France and, primarily, the extension of their military-political cooperation. The plans for the revival of the WEU are by no means counter to U.S. interests and fit entirely within the American plan for the creation of a "West European prop" of NATO, in which the FRG is assigned, as before, the role of Washington's "most loyal ally". As H. Kohl declared in a speech to Bundeswehr command personnel (February 1984), "partnership with the United States is the foundation of West German security policy."

Plans for a further buildup of "conventional" arms on the European continent are connected with the resuscitation of the WEU. The strengthening of West Europe's nonnuclear defense, the newspaper FRANKFURTER RUNDSCHAU wrote, "is easier to popularize under a European flag, and not under a NATO flag." Speaking in support of the French proposal for the recreation of the WEU as "the foundation of European defense within the NATO framework," FRG Foreign Minister H.-D. Genscher declared that Europe, when it is a question of its security, must speak with one voice and unite its armed forces.

All this corresponds in full to the interests of the reactionary leadership of the United States, which wishes to turn the West German military machine into a strike force aimed against the socialist countries. Furthermore, there are certain circles in the FRG which are ready for new military adventures. "Only on the basis of the West German potential," the influential U.S. foreign policy journal FOREIGN AFFAIRS wrote, "can a West European counterweight to the Soviet Union be created."<sup>21</sup>

The treaty governing the creation of the WEU imposed on the FRG a number of restrictions in the sphere of the production and exports of certain types of weapons, including nuclear, chemical and bacteriological. They have gradually been lifted, and the final ones concerning "conventional" weapons were canceled at the start of 1984. The military monopolies acquired the opportunity to undertake the production of all types of missiles, strategic bombers and also other offensive equipment. Immediately following cancellation of the ban the West German Orbital Transport und Raketen (OTRAG) firm conducted secret tests of a new intermediate-range missile in Ziare and North Africa. Having turned the FRG into the main American nuclear base in West Europe, the United States is also granting it new "powers" in nuclear questions. In September 1984 Gen H.-J. Mack, a leader of the Bundeswehr, was made responsible for all questions connected with the use of nuclear weapons within the NATO system. This decision brings the FRG close to possession of nuclear weapons.

Thus in spite of international agreements and decisions, the FRG is acquiring an opportunity to create and deploy its own long-range offensive arms capable of threatening the security not only of neighboring but also distant states. The conversion of FRG territory into a springboard for launching a first strike and possession of its own offensive weapons are in no way consonant with the repeated assurances concerning the exclusively defensive nature of the FRG's military doctrine and its army.

With the aid of the WEU the United States wishes to solve the question of the creation of a "European defense system" and successfully carry through the "Rogers Plan" (1982), that is, a program of the reequipment of NATO armies with qualitatively new types of "conventional" weapons which in their parameters are not inferior to weapons of mass annihilation. They are to supplement the American missiles deployed in Europe. Inasmuch, however, as no single NATO country is in a position to undertake fulfillment of this program the WEU is to coordinate joint West European programs for the production of the latest arms. Thus the FRG together with France is developing a radio-controlled reconnaissance aircraft, with Great Britain and France "third-generation" guided antitank rounds and with France and the Netherlands a warship modification.



## VI

Equipped with the latest systems and types of arms, at the end of the 1970's even the Bundeswehr had become a NATO strike system and the most powerful military machine in West Europe. By the start of the 1980's the Bundeswehr accounted in the NATO joint armed forces in Europe for over 25 percent of the combat aircraft, more than 50 percent of all ground forces, 55 percent of artillery barrels, 60 percent of medium tanks, over 70 percent of launch vehicles and almost 80 percent of naval formations.

The FRG is allocating vast resources for the acquisition for the Bundeswehr of the latest "second-generation" arms models. These include the Leopard-2 tank; 12 types of transport aircraft and fighters, including the Alpha-jet fighter, which is being produced in conjunction with France, and the Tornado multipurpose fighter-bomber being produced together with Britain and Italy; 8 types of antitank, air defense and sea missiles, including 3 types in joint production with France; 2 types of submarine; and so forth. In the period 1980-1984 the FRG spent over DM4 billion on creation of the joint infrastructure of NATO, to which great significance is attached in the capitalist countries' military-economic preparations. The AWACS long-range detection and warning system costing DM4.1 billion altogether (the FRG's share was DM1.9 billion) was purchased in the United States at the end of the 1970's.<sup>22</sup>

However, this is not enough for the magnates of the FRG's military-industrial complex: endeavoring not to lag behind the United States, they are unfolding a program of arms race and rearmament of unprecedented scale. Its fulfillment has required a 30-percent increase in the production of aeromissile technology, and, furthermore, the average annual rate of its increase in the FRG is higher than in the other leading NATO countries (8.5 percent in the FRG, 5.6 percent in France, 4.5 percent in the United States and 0.4 percent in Great Britain). Some DM4 billion or 10 percent of the country's military budget were spent on purchases of aeromissile arms in 1981.

Defense Minister M. Woerner has presented the plan for equipping the Bundeswehr in 1985-1987. It provides for the acquisition of new arms and military equipment to the tune of DM150 billion (DM70 billion is allocated for equipping the army, DM50 billion for the air force and DM30 billion for the navy). Furthermore, a long-term plan for the reequipment and modernization of the Bundeswehr over a period of 12 years has been drawn up in the military department.

According to this plan, by the end of the 1980's-start of the 1990's the Bundeswehr will have obtained 4,500 new armored personnel carriers (costing more than DM12 billion), 6 of the latest combat frigates and 18 submarines (approximately DM10 billion). Over DM17 billion is being assigned for the manufacture of a fighter-bomber which the FRG is developing in conjunction with other West European countries (France, Great Britain, Italy and Spain). The PAX-2 helicopter is being developed within the framework of Franco-West German cooperation (the FRG's share in development and production is approximately DM4 billion). The air force is to acquire 212 such machines at the start of the 1990's.



For reinforcing chiefly its air defense the FRG proposes in the 1990's ordering in the United States a large quantity of arms to the tune of almost \$10 billion, including the MLRS missile salvo fire system, various types of missiles (the Pershing 1-B, Lance, Harpoon, Hawk, Maverick, Sea Sparrow and others) torpedoes (the MK46), aircraft (the P3 Orion), helicopters and so forth.<sup>23</sup>

In October 1984 Bonn took a further step along the dangerous path of military preparations and the conversion of FRG territory into an aggression springboard of NATO. The FRG Government met half-way Washington's demands that it allocate additional billions of Deutschmarks not only for a conventional arms buildup but also for the construction and modernization of air bases, ports, pipelines, ammunition dumps and so forth. This program of the development of the NATO infrastructure for the next 6 years is put at DM22 billion, 26.5 percent of which is to be paid by the FRG.

The Defense Ministry's plans to arm the Bundeswehr for the 1990's have stimulated the activity of the West German arms magnates. The proposed absorption of F. Flick's Krauss-Maffei tank-manufacturing firm, which produces the Leopards, by the very big Messerschmidt-Boelkow-Blohm missile-aviation concern is of interest in this respect. This would mean the creation in the FRG of a military-industrial center of unprecedented proportions which would supply the Bundeswehr with a complete set of arms both for the army and for aviation.

At the end of 1984 the government approved the "planning of the Bundeswehr" through the end of the century. In the remaining 15 years spending on reequipping the Bundeswehr with new-generation weapons will be in excess of DM1 trillion. The CDU/CSU parliamentary faction set up a work group on space, which has submitted a paper according to which the FRG should participate in the militarization of space on equal terms with the United States.

The position adopted by the H. Kohl government on the question of the deployment of American missiles on the country's territory and in respect of the militarization of space program represents a direct challenge to the security of the Soviet Union and other socialist countries. The attempts of certain figures of the government coalition, including cabinet members, to question the political and territorial realities in Europe and distort the essence of the socialist states' foreign policy are also preventing the development of normal relations. At the same time the FRG Government has to take into account the opinion of the majority of the population, which supports mutually profitable cooperation with the socialist countries.

Defining the Soviet position in respect of the present policy of the FRG, K.U. Chernenko, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, emphasized in conversation with H.-J. Vogel, member of the SPD Presidium and chairman of the SPD faction (March 1984), that the two sides could cooperate fruitfully in economic affairs and on political issues. But the Soviet Union has to heed the fact that the FRG's conversion into a forward nuclear springboard of the United States is a real threat to the security of the USSR and its allies. The Soviet leadership is drawing and will continue to draw the appropriate conclusions from this.

At the start of the 1980's, under the H. Schmidt government, despite the exacerbation of the international situation and the profound 1980-1982 economic crisis, the FRG not only did not reduce but increased even commodity turnover with the socialist countries, primarily with the USSR. This manifested the deep roots of the materialization of the detente of the 1970's. The new government of Chancellor H. Kohl proclaimed continuity of policy in relations with the socialist countries and put up certain resistance to pressure from the United States, which was demanding renunciation of the "gas for pipes" deal, the imposition of sanctions and embargoes in trade with the USSR, a lengthening of the COCOM list and a tightening of credit terms. In 1983 the FRG's commodity turnover with the socialist countries increased 7.1 percent, whereas its overall trade volume increased only 2.3 percent. The FRG's exports to the Soviet Union increased 14.7 percent.

However, changes for the worse in this sphere also are to be observed at the same time. The CSU/CDU-FDP government is moving step by step in a direction to the liking of the R. Reagan administration, which is introducing elements of mistrust in the FRG's dependability as a partner not only in political but also economic relations.

## VII

Appreciable changes have occurred in the alignment of forces in the domestic political arena with the Christian-liberal coalition's assumption of office. There has primarily been a strengthening of the polarization between the ruling and opposition parties. A trend toward a weakening of the positions of the Christian Democrats has been discerned and the FDP's very existence has proven problematical in a short time here. The elections to the European Parliament and the parliaments of the lands of Saar and Rheinland-Pfalz, which were held in June 1984, and also the municipal elections in North Rhine-Westphalia in September 1984 testify to this. The SPD recovered following the defeat in the March 1983 elections. The Social Democrats learned the somber lesson from the coalition with the FDP and are evaluating the present aggressive policy of the U.S. Administration increasingly realistically. The new Greens Party has consolidated its position, and the mass antiwar movement has become an influential political force.

The parliamentary elections in March 1983 preserved the positions of the new ruling coalition which had come to power in the fall of 1982. The CDU, CSU and FDP parties obtained at the elections 55.8 percent of the vote and 278 seats (out of 498) in the Bundestag while the opposition parties obtained 43.8 percent and 220 seats. Such a large gap between the ruling and opposition parties had not been observed since 1965.<sup>24</sup> It would have seemed that this fact testifies sufficiently convincingly to the "conservative turn" in the political conduct and consciousness of the electorate. But this is not entirely the case.

First of all, for the first time since 1961 the new Greens Party, which obtained 5.6 percent of the vote (2.2 million), entered the Bundestag. The following figures testify to the depth of the breach of the front of "traditional" parties<sup>25</sup> in respect of West German political conditions:

whereas in the period 1972-1980 some 99 percent of the electorate which took part in elections voted for them, the figure in 1983 was 94 percent.

Furthermore, the consensus between the "traditional" parties, which in the 1960's-1970's was an important factor of the relative political stability in the country, was breached after the elections. It was breached by the SPD, which voted in November 1983 in the Bundestag against the start of deployment of American intermediate-range nuclear missiles on West German territory. There is no doubt that the SPD's decision was greatly influenced by the antiwar movement, which had been joined by many members of this party.

The movement against war has become a very serious problem for the FRG's ruling circles. It is superior in terms of its scope to similar movements in other West European countries and is unfolding in a state which is NATO's main strong point on the European continent and which is assigned a special role in Washington's nuclear strategy. In the FRG there is, unlike, perhaps, in any other West European country, a tremendous gap between the "security policy" pursued by the ruling circles and the mood of the masses, the majority of whom rejects nuclear weapons and NATO's "nuclear deterrence" strategy.

The movement against war was unable to prevent the start of deployment of the American missiles. Nonetheless, it has played an important part in the country's domestic political arena. The antiwar movement exerted an appreciable influence on the "security policy" debate, particularly in the SPD, and contributed to the change in the parliamentary-political correlation of forces on the question of NATO's "missile decision". After all, just a few years ago it was supported by all the parties represented in the Bundestag, and the decision on the start of deployment of the missiles was adopted only by the votes of the ruling parties.

The government is attempting in every way possible to weaken the antiwar movement, which has become a force with which the ruling class has been forced to reckon. The administrative-policy machinery is being used against participants in the movement and steps are being taken to limit democratic rights, particularly the right to demonstrate. Pressure on democratic and progressive organizations is being stepped up. At the same time the authorities are essentially encouraging the activity of extreme right, neo-Nazi groupings. No obstacles are put in the way of their members, as a rule, when they take jobs in state establishments, while the notorious "professional bars" are applied both to communists and persons of progressive beliefs.

The sociopolitical situation in the FRG is characterized by growing tension. With the assumption of office by the present government there has been a manifest shift to the right and a revival of the activity of all kinds of revanchist unions and organizations. The notorious "Union of Exiles," which numbers, according to data of its leaders, 2.5 million members and which quieted down somewhat in the detente period, is stepping up its sallies. Eleven of its 19 revanchist associations of fellow countrymen held their congresses in 1983.

The revival of revanchism is being manifested not only in the stimulation of a variety of profascist organizations and associations of fellow countrymen but also in official CDU/CSU policy. Thus Bonn has declared the German question "open" and again begun to talk about the "1937 borders" and some special "intra-German relations". "We will not consent to partition forever," Federal Chancellor H. Kohl has declared. Interior Minister F. Zimmermann specified that reunification extends not only to the FRG and the GDR but also the former eastern German territories beyond the Oder-Neisse line. Christian Democrat G. Andreotti, foreign minister of Italy, who saw great danger in the aspiration to question the Yalta agreements, drew attention to the revival of the idea of pan-Germanism in the FRG in the fall of 1984. It was not fortuitous that the Soviet Government handed the FRG Government a memorandum in July 1984 which drew attention with all seriousness to the dangerous thrust of its foreign policy.

In the country itself there are influential forces which are emphatically opposed to the arms race, "social dismantling" and the infringement of civil rights. These are broad circles of the SPD, the powerful trade union and antiwar movements, the Greens Party, which has entered the Bundestag, and progressive public organizations led by the Communist Party. Their influence, particularly over the long term, cannot be underestimated.

#### FOOTNOTES

1. HANDELSBLATT, 29 February 1984.
2. By the time of the CDU/CSU's assumption of office the debts of the federation, lands and communities amounted to DM600 billion, and together with the debts of the federal roads and the postal service, to approximately DM700 billion. The payment of interest on the national debt alone amounted in 1982 to DM45 billion (see MONATSBERICHTE DER DEUTSCHEN BUNDESBANK No 8, 1984, pp 64, 65; "Finanzbericht 1985," Bonn, pp 251, 71).
3. FRANKFURTER ALLGEMEINE ZEITUNG, 3 February 1984.
4. FRANKFURTER RUNDSCHAU, 5 May 1983.
5. "Finanzbericht 1985," pp 33 70.
6. For more detail see MEMO No 7, 1983, p 129.
7. UNSERE ZEIT, 14 December 1983.
8. FRANKFURTER RUNDSCHAU, 19 May 1983.
9. KOELNER STADT-ANZEIGER, 19 August 1983.
10. HANDELSBLATT, 3 August 1983.
11. His resignation was brought about by the biggest political scandal in the FRG's history, which erupted in 1984; it was connected with the Flick concern's bribery of leading representatives of the country's ruling circles. The resignation of Bundestag Speaker R. Barzel in October 1984 also was a result of this scandal.



12. HANDELSBLATT, 14 September 1982.
13. "SPD. Europa-Wahlprogramm 1984," Bonn, 1984, p 24.
14. This group, which includes, among others, Prof (R. Khikkel', I. Khufshmid and K. Khofeman), has as of 1975 been publishing memoranda on the country's economic and social situation. They put forward an alternative to government policy.
15. WELT DER ARBEIT, 23 February 1984.
16. FRANKFURTER RUNDSCHAU, 26 August 1983.
17. HANDELSBLATT, 22 July 1983.
18. In the time of government of the social-liberal coalition (1969-1982) taxes and social insurance contributions increased on average from 21.6 to 31.3 percent of workers' and employees' gross wages (see IFO-SCHNELLDIENST No 8, 1983, p 6).
19. Some 63 Pershing 2 missiles had been brought into the FRG by the end of 1984.
20. ARMED FORCES JOURNAL, December 1983, p 38.
21. FOREIGN AFFAIRS, Spring 1983, p 887.
22. FLUG REVIEW No 3, 1982, p 33.
23. AVIATION WEEK AND SPACE TECHNOLOGY, 28 November 1983, p 81.
24. With the exception of the period of the "grand" coalition--the government alliance between the CDU/CSU and the SPD, which existed 1966-1969. Only the FDP was in opposition at that time.
25. By "traditional" parties is meant the parties defending the principles of state-monopoly capitalism--the CDU, CSU, FDP and SPD.

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## MAJOR INTERNATIONAL DEVELOPMENTS SEPTEMBER-DECEMBER 1984

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 85 (signed to press 17 Dec 84) pp 87-106

[K. Nikolayev, V. Nikiforov international review: "Current Problems of World Politics"]

[Text] The fall of 1984 proved to be politically concentrated and intensive. It was marked primarily by the continuing confrontation of the two lines and two diametrically opposite trends in world politics. Life repeatedly caused a clash of the two approaches in recent months, forcing the supporters of confrontation to maneuver. Peace-loving rhetoric resounded emphatically in the speeches of the U.S. President and other top officials on the threshold of the presidential election in the United States. However, the changes in words have by no means as yet been accompanied by any perceptible changes for the better in Washington's practical policy.

The main conclusion which may be drawn today, when the confrontation imposed by imperialism has already gone quite far, is that resistance to the policy of imperialism is growing constantly and its forms and specific manifestations are multiplying and the anti-imperialist protests of the peoples are becoming increasingly effective. The further matters proceed, the more strongly the international community is convinced that the policy of arms race and preparation for wars and aggression and the conversion of international relations into military-power jungles which is being pursued by the leading Western countries headed by the United States is a dangerous historical blind alley.

People in the West love to speculate on the subject of our country's "true intentions". Reaching agreement with the USSR is sort of possible in principle, they say, but who knows what it in fact is contemplating to itself? The fall of 1984 even here gave any objective observer abundant food for thought and conclusions based on facts and not on conjecture. Embarking on the concluding period of the fulfillment of the current 5-year plans, the Soviet people and the peoples of the socialist community countries are summing up what has been done, critically analyzing what has been achieved and determining the tasks for the latter half of the decade.

## 1. Along the Path Opened by the Great October

The celebration of the 67th anniversary of the Great October Socialist Revolution, which developed into a striking demonstration of nationwide approval of and support for the party's Leninist foreign policy course, took place under the sign of preparations for the 27th CPSU Congress, whose job it will be to adopt the reference points for further communist building in our country.

"This," K.U. Chernenko emphasized, "is a course of the all-around progress of Soviet society. It is a course aimed at the preservation and consolidation of peace in the world."

Behind the words of the general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium is the party's tremendous amount of work on realization of the program goals of the 26th CPSU Congress. The CPSU Central Committee October (1984) Plenum adopted a decree on a qualitative improvement in agriculture--a reclamation plan up to the year 2000. In November the 11th USSR Supreme Soviet Second Session examined the results of fulfillment of the plan of the country's economic and social development in 1984 and the USSR budget for 1983 and also confirmed the laws on the plan and budget for 1985.

The results of 4 years of the current 5-year plan may with full justification be called disappointing for our enemies. We see the assured, dynamic and progressive development of the Soviet Union and the increasingly full use of the advantages of the socialist economic structure. This affords our country an opportunity to pose and tackle new large-scale national economic tasks, enhance Soviet people's well-being and maintain at the due level the defense capability of the socialist motherland.

As is known, having thoroughly analyzed the international situation and the actions of the imperialist powers for the first time in a long time the USSR Government consented to a certain increase in defense spending in the 1985 budget: from R17,054,000,000 to R19,063,000,000. The appropriations for military needs here--forced appropriations--constitute only 4.9 percent of budget expenditure. Something else is indicative also: there is also a simultaneous increase in general investments in the national economy and the state's social spending. This is a graphic, convincing answer to our enemies, who are hoping, apart from anything else, to "wear out" the Soviet economy and Soviet people with an arms race.

The departing 1984, as also the arriving 1985, was marked by many memorable, anniversary dates. The 40th anniversary of the socialist revolution Bulgaria, the 35th anniversary of the GDR and the PRC, the 60th anniversary of the proclamation of the Mongolian People's Republic and the 40th anniversary of the liberation of Albania and Yugoslavia from the fascist occupiers and the victory of people's revolutions in these countries, as also the 40th anniversaries of the rebirth of Poland and the establishment of people's power in Romania, which were commemorated in the summer--these dates recall the magnificence of the path that has been traveled and the majestic nature of what has been accomplished.

The ceremonial measures conducted in the socialist community countries in connection with the anniversaries, in which party-government delegations of the USSR and other fraternal countries participated, as also numerous bilateral meetings along party and state lines, demonstrated the unity and cohesion of the socialist countries, their peoples' successes in building a new society and the unshakable strength of the international authority and positions of the socialist world. The socialist states are confidently solving problems from which the wealthiest capitalist states are shrinking.

Bulgaria may be cited as an example. In four decades a formerly backward country and former agrarian-raw material appendage of European capital has become a developed socialist state with a diversified economy and a high level of culture and public well-being. From 1939 through 1983 the volume of production in the country increased by a factor of 84, this including an increase in the means of production by a factor of 236. The appearance of industry is determined by such sectors as electrical engineering and electronics, machine building, chemistry, metallurgy and power engineering, which now account for more than 40 percent of the gross industrial product. There have been fundamental changes in agriculture also. Small individual farms have been replaced by cooperatives united in large-scale agrarian-industrial complexes, which has made it possible to sharply increase labor productivity. Three times fewer people are now employed in agricultural production than in 1939, while the product volume has increased threefold.

The dynamic development of the economy has ensured the conditions for a constant rise in the people's living standard--the main task of socialist social production. In the period 1972-1983 alone the working people's real income increased by a factor of 1.5. Average wages here increased from 125 to 202 lei a month, and average pensions increased from 38 to 82 lei. The social funds per capita increased by a factor of almost 2.5.

The successes which have been achieved, of which the Bulgarian people are rightly proud, are the result of their selfless labor, the scientifically substantiated policy of the Bulgarian Communist Party and the development of multilateral relations with the socialist community countries, primarily with the USSR. It is difficult today to name a sphere of Soviet-Bulgarian relations which has not perceived the results of the joint policy pursued by the CPSU and the Bulgarian CP of all-around cooperation and the rapprochement of our parties, states and peoples.

They are manifested particularly graphically in the economic sphere. The USSR accounts for over half of Bulgaria's foreign trade turnover. Realization of the general outline of specialization and cooperation in the sphere of material production between the USSR and Bulgaria up to 1990 and the sectorial programs which have been drawn up on the basis thereof and also implementation of the decisions of the recent top-level CEMA economic conference are playing an important part in the further development of the two states' economic relations.

The gains of the GDR's working people are significant also. In the three and one-half decades of its existence the GDR has traveled a long and glorious path marked by outstanding achievements. In order to appreciate them in full



measure it needs to be remembered under what conditions the building of the new society began. It was necessary to overcome the grim legacy of the past bequeathed by fascism, the bitter resistance of internal and external reaction and the postwar devastation. All the more impressive are the results with which the GDR working people reached the anniversary of the republic. From 1949 through 1983 the country's national income increased almost ninefold and in per capita terms is more than three times more than the average world indicator. In the same period industrial production increased by a factor of 13.3, and many sectors of industry were essentially created from scratch, what is more. Now the GDR, in 99th place in terms of size of territory and 39th in terms of population, is in the group of the 10 industrially most developed states of the world.

The times have long since passed when the enemies of the worker-peasant state on German soil were able to impede its broad recognition in international law. It now has diplomatic relations with 132 countries and is an equal member of the United Nations and its specialized organizations. By its assertive, purposeful activity in support of peace the GDR has won deserved authority in the international arena.

As the republic's leaders have emphasized repeatedly, the source of strength of the GDR and the reliable foundation of its development is its firm place in the socialist community and indestructible friendship with the Soviet Union. The USSR accounts for 38 percent of the GDR's foreign trade exchange, and commodity turnover between our countries has reached R14 billion. Behind these figures are not only large-scale reciprocal commodity supplies but also the increasingly great interweaving of the two states' national economies. An important new step in unification of the two countries' resources and potential in the interests of socialist building was the "Long-Term Program of the Development of Cooperation Between the USSR and the GDR in the Sphere of Science, Technology and Production for the Period up to the Year 2000," which has been signed.

The CEMA 39th Session, which took place in Havana just before October, was a demonstration of the established practice of the socialist states' fundamentally new mutual relations. For the first time in the existence of this organization the heads of government of the CEMA countries held such a meeting in the capital of the first socialist state in the Western hemisphere. This is testimony to Cuba's strengthening authority in the socialist community and throughout the world.

The participants in the Havana meeting summed up the first results of the now-commenced implementation of the long-term economic strategy collectively formulated in Moscow by the top-level CEMA economic conference in June 1984. The purpose of this strategy is to make even fuller use of qualitative factors of economic development, accelerate the transition of the fraternal countries' national economies to the path of intensification, undertake a fundamental retooling and achieve a higher level of the living standard of the peoples of the socialist community countries.

The participants in the session observed unanimously that the strategic policy adopted by the economic conference of the fuller use of the possibilities of socialist economic integration in the interests of a further upsurge of the economy of the community countries and the strengthening of their unity and cohesion is producing palpable results. In the period that has elapsed since the preceding session the CEMA countries have achieved further socioeconomic progress on the basis of increased social production efficiency. The scale of mutual cooperation has increased markedly, the specialization and cooperation of production are being extended and reciprocal supplies of specialized engineering products, foodstuffs and equipment for food industry have broadened.

The participants in the session emphasized that the socioeconomic progress which has been achieved in the CEMA countries is inseparably connected with the strengthening of their all-around interaction and the increasingly great concentration of efforts in the most important, priority areas of cooperation. Under conditions where the acceleration of scientific-technical progress is becoming the leading element of the community states' economic strategy the concentration of the efforts of the scientific and production collectives of the fraternal countries in such spheres as electronics, comprehensive automation, nuclear power engineering, the creation of new types of materials and techniques and biotechnology is moving to the forefront.

It was these areas of cooperation which have been made the basis of the comprehensive program of the CEMA countries' scientific-technical progress for 15-20 years which is being drawn up in accordance with the goals of the economic conference. A number of large-scale general agreements in the sphere of electronics and microprocessor technology and robotics, whose fulfillment will make it possible to organize the manufacture and expand supplies of new types of technical products--electronic and computer equipment and means of communication--has already been concluded. These products will account for approximately 15 percent of the total volume of reciprocally supplied engineering products in commodity turnover between the USSR and the European CEMA countries in the new 5-year plan.

The importance of realization of the goals of the economic conference with respect to assistance to Vietnam, Cuba and Mongolia in an upsurge of the economy and their expanded participation in the international socialist division of labor was emphasized.

The coordination of the fraternal countries' national economic plans for 1986-1990 is designed to play a most important part in realization of the collectively formulated strategy. As the documents of the session observe, 22 multilateral agreements on economic and 39 on scientific-technical cooperation for the coming 5-year period and the longer term were prepared and signed. Thus the continued stable development of each country and the community as a whole is being given a firm material base.

Unification of the efforts and mobilization of the resources of the participants in socialist economic integration for the efficient solution of such quite acute problems as the raw material and fuel-energy problems will

contribute to this to a considerable extent. The session approved long-term comprehensive measures in the sphere of energy, fuel and raw material for the period up to 1990 and the longer term. They provide for the joint construction of a large number of major economic facilities and the development of the specialization and concentration of the production of energy- and material-saving machinery and equipment.

The session's work was conducted in a complex international situation. And this, naturally, was reflected in the adopted documents. The CEMA countries unanimously declared their aspiration to continue to do everything necessary to preserve peace in the world, prevent a nuclear catastrophe and curb the arms race. They again confirmed their readiness for dialogue and honest and serious negotiations aimed at the achievement of accords taking account of the interests of all states and peoples. The session also expressed the socialist community countries' resolve to strive for the consistent realization of the action program put forward by the economic conference for an improvement in international economic relations and declared support for the developing states' legitimate demands for the establishment of a new international economic order on a just, democratic basis.

The 12th CCP Central Committee Third Plenum was held in the PRC capital in October 1984. It examined and approved the decree "Reform of the Economic System". The reason given for the transition to the new economic policy in the cities (reform in the countryside has been under way since the end of the 1970's) is the need to step up the pace of "socialist modernization," "regulate" the national economy and remove the "flaws... seriously impeding the development of the production forces". The creation of a "viable and vigorous specifically Chinese socialist economic system" is proclaimed the basic goal of the reform.

The document enumerates in detail the measures aimed at the achievement of this goal. It is a question, first, of overcoming the present "unduly rigid centralization" in the management of enterprises and their conversion into "independent economic organizations"; and a reduction of the sphere of "directive" planning and the encouragement of "guideline" planning and also "market regulation". Competition between enterprises is permitted. Another important component of the reform is the "gradual constriction of the sphere of the "uniform state determination of prices" and expansion of the practice of "sliding" and "free" market prices.

For the purpose of the successful implementation of the outlined measures, the decree goes on to say, it is essential to adopt a policy of the simultaneous combination of all forms of management--state, cooperative and individual--and also to continue the expansion of international technical-economic exchange. The use of foreign capital investments and the attraction to China of foreign businessmen for the creation of enterprises both with venture capital and belonging to foreigners entirely is termed in the document "an essential useful supplement to socialist economics."

The CCP Central Committee plenum's decision on economic reform has given rise to numerous commentaries in the Western press. While calling the outlined measures a "bold experiment" aimed at a cardinal reorganization of the evolved "model of the orthodox planned economy," the majority of observers at the same time emphasizes that its implementation could lead to a situation whose consequences are as yet difficult to predict. Within the framework of this experiment, THE NEW YORK TIMES writes, "centralized planning will be limited, a million state enterprises will acquire the right to conduct a competitive struggle for survival in the market, and broad price subsidies will constantly be cut back." According to the paper, the authors of the reform do not explain how under these conditions to avoid unchecked inflation and the growth of unemployment. Other likely consequences of the reorganization of the economic mechanism to which the commentaries draw attention are the overstocking of the market as a consequence of the price increases, exacerbation of the disproportions in the economy and the deepening of social stratification among the country's population.

The fifth round of Soviet-Chinese political consultations at deputy foreign minister level was held from 18 October through 2 November in Beijing. Both sides expressed an interest in an improvement in Soviet-Chinese relations and a readiness to further expand communications and contacts between the two countries in the sphere of the economy, trade, science, technology, culture and sport and in other spheres based on equality and mutual benefit. The sides consider the consultations and dialogue useful and agreed to conduct the next round in April 1985 in Moscow.

On 26 September in Beijing representatives of the PRC and Britain initialed a number of documents representing the result of 2 years of negotiations on the question of Xianggang (Hong Kong). According to the arrangement that was arrived at, which was recorded in a joint Anglo-Chinese declaration, Great Britain will hand over Xianggang to PRC sovereignty on 1 July 1997. China, in turn, undertakes to preserve on Xianggang territory the socioeconomic system which exists there and also the population's "way of life" for the subsequent 50 years--until the year 2047. The agreement stipulates that throughout this period Xianggang will have the status of a special administrative area enjoying "a high degree of the right to self-government," including the right to exercise administrative, legislative and judicial authority.

As an area with special administrative status, Xianggang will have its own organs of power--legislative, administrative and judicial--formed from the local inhabitants. According to the terms of the agreement, the head of the executive authority is to be appointed by the PRC Government on the basis of the results of elections or consultations conducted locally. The laws currently in effect on the territory of Xianggang will remain basically unchanged.

Questions of foreign policy and defense pertain to the competence of the PRC Government, however, the special administrative area, acting under the name of "Xianggang PRC," will be able to maintain and develop economic and cultural relations and conclude corresponding agreements with other states,



areas and international organizations. The economic interests of Britain and other countries will, as the document emphasizes, be taken into consideration here. In addition, the position of free port and the role of major center of international finance are retained for Xianggang.

"One state--two social systems"--such is how PRC policy in respect of Xianggang is officially formulated. China's use of such an unusual concept, THE NEW YORK TIMES writes, commenting on the agreement, shows "how interested Beijing is in the continued prosperity of Hong Kong, via which it obtains approximately one-third of its convertible currency." According to the paper, in granting Xianggang special status China was pursuing another goal also: making it an example of how the Taiwan problem may be settled.

This opinion is confirmed by the pronouncements of PRC leaders themselves. According to Chinese press reports during a Deng Xiaoping meeting with former Japanese Prime Minister Z. Suzuki he declared that the "one state--two system" principle could be used to solve the Taiwan question.

## 2. East-West: Confrontation or Detente?

In the years which have elapsed since the time when the forces of reaction, primarily American, adopted a policy of sociopolitical revanche in all areas of international relations the world community as a whole has been aware of the fact, purposely denied by bourgeois propaganda, that responsibility for the new, unprecedentedly dangerous round of confrontation in the world has lain with the West, primarily the United States. It has become increasingly difficult for Washington, which under the present administration has been impatient to show its first wherever possible and which has already attempted this in, for example, Lebanon or on Grenada, urging on its allies to do the same, when if only some "justification" of such a policy has been demanded of it.

At that time two themes were heard in the speeches of administration officials and the President himself and in American propaganda. One was that there is no greater supporter of peace and disarmament and broad international cooperation than R. Reagan. The other was that presidential elections were taking place in the United States and that Reagan, if reelected, of course, would be quite "different" and would move toward negotiations with the Soviet Union and other constructive steps in foreign (and, according to the assertion of some people, also in domestic) policy. It remained incomprehensible, it is true, what prevented the President being "good" before the elections, but it was preferred not to draw attention to this "trifle".

And the elections are now over. They were unsensational. What everyone had expected happened: the leader of the Republicans, U.S. President R. Reagan, was reelected, obtaining more than 52 million votes or 59 percent of the total. His rival from the Democratic Party, W. Mondale, received approximately 36 million votes or 41 percent. The Republicans did not, however, fully achieve what they had wanted in the congressional elections and the distribution of gubernatorial offices: the alignment of forces remained in principle

unchanged here. In the Senate the Democrats won 2 seats from the Republicans, but the latter retained the majority, as before: 53:47 (before the elections this ratio had been 55:45 in favor of the Republicans). The Democrats lost one governorship and now control 34 compared with the Republicans' 16. The biggest success attended Republicans in the elections to the House of Representatives, where they gained an additional 14 seats and now have 180 compared with the Democrats' 255.

The Reagan administration approached the elections with contradictory results. Four years of its rule have led to a further deterioration in the position of quite broad strata of the population. Whereas in 1979, according to official data, 11.7 percent of the population in the country lived below the "poverty line," by the end of 1983 the proportion thereof had risen to 15.2 percent or by more than 9 million persons, and the total numbers exceeded 35 million. As THE NEW YORK TIMES put it, the President had paid for the recovery in the economy which had been achieved in 1983-1984 "with the anguish of millions of people thrown out of a job in the past 4 years and the hundreds of billions of dollars which the government will have to borrow (to pay off the gigantic budget deficit--authors' note) in the coming 4-year term."

But this class line also had, naturally, a reverse side. Monopoly profits leaped sharply in the same 4 years. Currently 482 families control sums of capital in the United States totaling more than \$2.2 trillion or approximately 40 percent of total capital investments (excluding the housing sphere). In the first 2 years of the Reagan administration's term in office alone the number of millionaires in the country practically doubled. Their taxes were cut considerably, what is more. It is not surprising that the Republican Party managed under these conditions to collect for the 1984 campaign, according to preliminary, far from complete data, \$225.4 million compared with the \$57.3 million collected by the Democrats.

The President's second term will not be a time of parades and promising statements, as the first was, but a period when "the reaping of what has been sown" begins. The Reaganites possess no magic economic wand, of course, and are incapable of abrogating the objective laws of capitalism.

Particular concern is being caused in the country by the growth of the budget deficit. After the elections representatives of the administration were forced to acknowledge that in 1985 the deficit would amount not to \$172 billion, as had been asserted earlier, but to a minimum of \$190 billion. Even given the present trend, which is not the most pessimistic, the newspaper of business circles, THE WALL STREET JOURNAL, wrote, the United States will in the very near future become the world's biggest debtor-country: its total debt will increase from the present \$1.6 trillion to \$3.1 trillion. Such a prospect "is compelling the business world's concern, worry and fear of a new burst of inflation."

The Reagan administration has had a chance to convince itself of something else also: the capacity of the Soviet Union and the Warsaw Pact states for fittingly answering the militarist preparations of the United States and NATO.

As is known, in October the USSR Defense Ministry announced the start of the deployment of long-range cruise missiles on Soviet strategic bombers and submarines. The legitimate defense measures adopted by the USSR and its allies were also a reason--and one of considerable importance--for the U.S. President's suddenly awoken verbal "love of peace".

True, this latter is by no means being reflected in deeds. On the contrary, the race for military superiority continues at an increasing pace. For the new, 1985, fiscal year, which began on 1 October, the U.S. Defense Department has been allocated \$292.9 billion. If, however, the "indirect" military spending concealed in other items of the budget is considered, the total sum amounts to almost \$300 billion. It is superfluous to say that not one of the military programs adopted earlier has been canceled. The most dangerous directions of the arms race connected with the militarization of space are being intensified. Following the first meeting of the cabinet after the elections a White House representative declared that the United States would "abide by an invariable policy internationally," and the President intends to continue to seek an increase in military spending at a pace necessary, he said, "for continued progress on the way to restoring defenses."

Throughout the fall of 1984 the Soviet side again confirmed repeatedly and at the highest level its readiness for constructive and equal dialogue. The broad range of its possible directions and specific topics was clearly outlined. K.U. Chernenko spoke of this in his replies to questions put by representatives of the Soviet and American mass media, in the appeal to readers of the collection of his speeches and statements published in the United States and at meetings with foreign statesmen and politicians. The speech of USSR Foreign Minister A.A. Gromyko, member of the CPSU Central Committee Politburo and first deputy chairman of the USSR Council of Ministers, at the UN General Assembly 39th Session and during conversations in September with President R. Reagan and Secretary of State G. Shultz dealt with the same thing.

As K.U. Chernenko emphasized, "it is difficult for us to understand the logic of those who say that the continuation of tension in relations with the USSR is inevitable and virtually fatally predetermined and that the United States loses nothing from this... This is, of course, not the case.... There is no prospect other than living side by side. And since this is so, it is better to live not in an atmosphere of enmity and fear but in peace, humanely, observing certain standards in our mutual relations."

The Soviet side also clearly stated what such standards should be. Primarily unconditional recognition of equality and consideration of one another's legitimate interests during dealings between our states. The sincere aspiration to a search on this basis for a practical solution of specific problems. In other words, negotiations to the point and not negotiations about negotiations. The concentration of attention primarily on questions of truly key significance from the viewpoint not only of Soviet-American relations but also the future of all mankind. Questions such as prevention of the militarization of space, including renunciation of antisatellite systems, a quantitative and qualitative freeze on all nuclear arms, the bringing of the formulation of an agreement on the general and complete banning of nuclear

weapons tests to a positive conclusion and the nuclear powers' adoption in accordance with the USSR's example of a commitment on no first use of such weapons.

Guided by these motivations, the Soviet Union presented a new initiative: embarking on new negotiations which would embrace both the question of the nonmilitarization of space and questions of nuclear arms--strategic and intermediate-range. As announced, in order to formulate a joint understanding of the subject and aims of these negotiations A.A. Gromyko and G. Shultz will meet in Geneva 7-8 January 1985. The Soviet side emphasized once again: in respect of all the said areas, which are interconnected, the USSR is ready to seek the most radical solutions helping movement toward a complete ban on and ultimately the liquidation of nuclear weapons.

It is thus now up to the U.S. Administration. If Washington on this occasion, as distinct from the past, really displays a readiness to conduct honest negotiations for the purpose of achieving mutually acceptable accords, it will finally be possible to move the solution of a most important problem--an end to the arms race--from standstill.

Attention is drawn in this connection to the article by K. Adelman, director of the U.S. Arms Control and Disarmament Agency (who has the reputation of a convinced opponent of any agreements with the USSR in this sphere), in THE WALL STREET JOURNAL shortly before the said arrangement. Commenting on the so-called concept of "all-embracing negotiations" expressed by K. Adelman, the newspaper wrote: "The United States is virtually asking the Soviet Union to help modify the ABM Treaty so as to permit the deployment of space wars weapons and then requesting that it cut its own defense such that defense in the space wars spirit work for certain."

But across the Atlantic the fall of last year shattered the final illusions concerning the fact that the deployment of new American missiles would add peace and security for the inhabitants of the western part of the European continent.

Implementation of the well-known NATO decision is proceeding, as the West likes to emphasize, "on schedule". Of course, Washington and Brussels are expressing satisfaction with such a course of events, asserting that realization of the "Eurostrategic" program "has improved considerably the strategic situation in West Europe." Of what, however, does this improvement consist? As is known, NATO's champions of "rearmament" have not succeeded in upsetting the balance, even less, achieving superiority. The Warsaw Pact countries have adopted adequate retaliatory measures both in respect of the territory of NATO's West European participants and in respect of the territory of the United States itself, as a result of which the military balance in Europe and the world has been maintained on the whole.

What supporters of missile "rearmament" undoubtedly have "succeeded" in doing is raising the level of military confrontation on the continent and in East-West relations as a whole, increasing appreciably the tension and instability here and making more difficult political dialogue and the achievement of significant constructive agreements. If it is this which the West understands by an "improvement" of the situation in Europe and the world, such a position, as they say, speaks for itself.



The fact that 40 years after the end of WWII the voices of those urging a revision of its results are being heard increasingly strongly in the West cannot pass unnoticed in the socialist community countries. Such voices are particularly audible in official circles of the United States and the FRG, and the government of the latter, furthermore, is essentially openly supporting the demands of increasingly brazen revanchist groupings. The corresponding plans and intentions are being underpinned by measures of a military and military-political nature.

A jubilee session of the Western European Union (WEU) formally devoted to this organization's 30th anniversary was held in Rome 26-27 October 1984.

In fact, judging by press reports and official commentaries, the foreign and defense ministers of the seven West European countries (Britain, France, the FRG, Italy, Belgium, Holland and Luxembourg) discussed questions of their states' military cooperation as a supplement, so to speak, to that being undertaken within the NATO framework. Western capitals do not conceal the fact that it is a question of an endeavor "to strengthen the West European basis of NATO". Attention is drawn to the fact that confirmed Atlantists are urging West Europe's "independence" in military matters. We are alerted by something else also: the attempts to revive the activity of the WEU coincided with the deployment of the new American missiles in Europe and the adoption, after 2 years of discussion, by the NATO Military Planning Committee of the so-called "Rogers Plan"--a doctrine providing for combat operations deep in the rear of the anticipated enemy with the use of "conventional weapons comparable in their destructive capacity with nuclear weapons. The "defense in the enemy rear" doctrine--the name alone is worth something!--by no means cancels here NATO's concept of first use of nuclear weapons. But does mean that the development and adoption of new "conventional" arms systems will inevitably lead to the West Europeans' even greater dependence on Washington's aggressive strategy.

"European security," A.A. Gromyko emphasized, speaking in the United Nations, "has many components. But the main one is the indissolubility of European borders, as defined and consolidated in Yalta and Potsdam...." Direct threads extend from these agreements to the treaties concluded between the socialist and capitalist countries in the 1970's, including the Moscow, Berlin, Warsaw and Prague treaties and also the Helsinki Final Act. It is these most important international acts which determine the appearance of contemporary Europe and, to a large extent, the world, and any attacks on them will be met by the firm rebuff of the socialist states.

The anniversary of the start of work of the Conference on Confidence-Building Measures, Security and Disarmament in Europe is approaching. The USSR and the other socialist countries have in this time demonstrated a sincere interest in the achievement of constructive results of the Stockholm forum. The neutral and nonaligned states are also displaying a readiness for its productive work. However, all efforts to begin businesslike negotiations continue to be sabotaged by the United States and its closest NATO allies. The behavior of these countries' delegations at the conference and the statements being made by the U.S. President are also a clear indication of this. Also evidence

of this is the concept persistently being publicized by NATO of the "illumination" of military activity, which, following the above-mentioned adoption of the "Rogers Plan," has conclusively revealed its purpose: making it easier for the North Atlantic bloc to plan strategic offensive operations against the socialist states. As is known, it was to this which the countries opposed to this concept pointed from the very outset.

For the same reason--the obstructionist policy of the NATO powers headed by the United States--it is the umpteenth year now that the Vienna negotiations on a mutual reduction in armed forces and armaments in Central Europe have been at a standstill. Their latest round introduced nothing that was fundamentally new to the position of the Western participants, which would like to reduce everything to a reduction in the numbers of the sides' ground forces, with the benefit unfailingly accruing to NATO, and to foist on the Warsaw Pact states a system of control bordering on interference in their internal affairs which has been taken to absurd levels and which is knowingly unacceptable. At the same time West Europe's growing weariness with the confrontation being imposed by Washington and its understanding of the prospects to which the policy of the U.S. Administration is leading are becoming increasingly pronounced. The Brussels session of the North Atlantic Assembly--an organization of members of parliament of NATO countries--adopted by a majority a resolution which contains virtually a direct appeal to the Reagan administration to abandon plans for the militarization of space. The leaders of a whole number of West European states: Britain, France, Italy, Belgium and the FRG have also recently made statements emphasizing the need to speed up the search for actual solutions in the sphere of arms limitation and an improvement in East-West relations.

Together with propaganda considerations a further two reasons of considerable importance may be discerned distinctly behind such actions: the situation in West European countries, which is far from felicitous, and also these states' interest in preserving the results of detente, which were and remain "profitable" to all Europeans, and not only Europeans.

That the capitalist world's economic situation does not inspire optimism is noted by all serious Western experts. True, in the first half of 1984 the aggregate GNP of the developed capitalist countries increased 4 percent and industrial production almost 8 percent. In some states the latter indicator grew even more: it amounted to 14 percent in the United States and 12 percent in Japan. What, then, is currently troubling the capitalist countries' ruling circles?

Primarily the fact that the capitalist economy has essentially for 5 years been at a standstill. According to official OECD data, the industrial production of the 24 leading capitalist countries in the first half of 1984 was only 4-5 percent above the 1979 level. In the United States the increase constituted 5 percent, West Europe as a whole remained at the 1979 level, and only Japan improved its positions appreciably. Second, the continuing exacerbation of the employment problem. In the first half of 1984 unemployment in the OECD countries constituted 8.5 percent on average. The forecast is that it will remain at this level in the next few years. In 1975--the worst crisis year in the West in the past decade--there were 15.5 million unemployed.

In 1983, despite the recovery which had begun, there were 32 million. The situation is most complex in the West European states, where at the start of 1983 this indicator constituted 17.8 million, in the middle of 1984 some 18.5 million and in 1985, it is expected, will amount to 20 million. Such a high level of unemployment combined with daily attempts to solve the problems of capitalism at the expense of the working people is objectively leading to an intensification of the class and strike struggle. The ruling circles of the capitalist states cannot fail to ask themselves: is not the unparalleled British miners' strike, which has been going on for more than 9 months now, a signal of coming, far more tense class battles?

Third, what is currently worrying the West's ruling circles is the impact on the world capitalist economy of the high (and continuing to rise) interest rates and budget deficits in the United States. And whereas gigantic military spending is being paid for through the deficits, people across the ocean see the interest rates as a means not only of patching up the budget holes which have formed but also of putting competitors in a more difficult position and thereby making them more dependent on American policy and American whims. The \$150 billion plus which floated in 1980-1983 alone from West Europe to the United States could have been invested in the economies of the West European countries themselves and have contributed to their emergence from the protracted economic blind alley. "The United States is no longer printing money," former FRG Chancellor H. Schmidt caustically remarked in this connection. "It is importing it."

Together with the complex, contradictory and sometimes frankly negative processes developing on the European continent the seeds of detente and cooperation have also taken quite strong root here. The Soviet-Finnish and Soviet-American contacts and negotiations of the fall of 1984 again recalled the tremendous positive potential contained in all-European cooperation and its realistic and fruitful nature.

At the end of September the USSR was visited by Finnish Prime Minister K. Sorsa. His visit coincided with the 40th anniversary of the armistice agreement between the two countries and the creation of the "Finland-Soviet Union" Society. A commodity turnover and payments agreement between the two countries for 1986-1990 was signed in the course of the visit.

"We may say today," K.U. Cherneko emphasized: "friendship, mutual trust and fruitful cooperation are the essence of Soviet-Finnish relations. They have not been and are not now subject to the ups and down of the political climate in the world."

The visit to the USSR at the end of November 1984 by F. Sinowatz, federal chancellor of the Austrian Republic, was a continuation of the good tradition of meetings and negotiations between statesmen of the two countries. In the chancellor's definition, bilateral relations between Austria and the USSR "are taking shape most excellently." Confirmation of this was the visit itself, which was timed to coincide with the commissioning of a foundry built in the Belorussian city of Zhlobin in close cooperation with the Austrian First Alpine concern and also the Italian Danieli firm.

What was said is particularly important today, when--after the changes which occurred in the Austrian leadership in 1983--certain circles in the West have noticeably stepped up attempts to put pressure on this country for the purpose of pushing it from the neutral path, forcing it to change its constructive foreign policy course, which it has pursued for a long time, and pulling it into the orbit of NATO's political influence.

In his address to readers of the book "The People and Party Are One. Selected Speeches and Articles," which has been published in Austria, K.U. Chernenko emphasized: "Detente is a natural state, whereas confrontation is a dangerous anomaly, the consequences of which for the security of each country and the continent as a whole under current conditions it is difficult to predict." In Europe and beyond our country is doing everything in its power to prevent a weakening of the struggle against the military threat and for an improvement in the international situation.

A specific expression of these incessant efforts in the name of peace was the intensive Soviet-Japanese dialogue which unfolded last fall. At the invitation of the Japanese side Tokyo was visited in October by a USSR Supreme Soviet delegation headed by D.A. Kunayev, member of the USSR Supreme Soviet Presidium, member of the CPSU Central Committee Politburo and first secretary of the Kazakh Communist Party Central Committee. In the evaluation of the Japanese press this was the most representative delegation sent to Japan by the USSR Supreme Soviet since 1964. A Soviet-Japanese conference of representatives of the public of the two countries was held in October in Moscow. In mid-November our country was visited by a delegation of four of Japan's political parties--the Democratic Socialist Party [DSP], Komeito, the New Liberal Club and the Social Democratic Federation--and the All-Japan Confederation of Labor--(DOMEY)--headed by R. Sasaki, chairman of the DSP Central Executive Committee. It had meetings in the CPSU Central Committee and government and state organs of our country.

The readiness and aspiration to establish really good-neighbor relations between the USSR and Japan corresponding to the vital interests of the peoples of both countries were invariably emphasized in the course of the contacts with the Soviet side.

As is known, not through the fault of the USSR Soviet-Japanese relations have been experiencing not the best times in recent years. Political contacts between the two countries have been essentially frozen. Economic relations have also deteriorated compared with the start of the 1970's. The reasons for this are well known: the United States' endeavor to tie its allies, including Japan, more closely to its own aggressive anti-Soviet policy and the complete readiness displayed by the ruling circles of the Land of the Rising Sun to carry out Washington's orders on these questions. The final months of 1984 provided new confirmation of this.

Back at the start of September the Japanese Government, according to an ASAHI report, declared its readiness to grant the U.S. Air Force freedom of operation in the country's air space in the event of so-called "extraordinary circumstances" arising in the Far East. A 16-day trip by (Yu. Kurikhary), chief of the Japan



National Defense Agency, to the United States and West European countries, including NATO headquarters, took place at the end of September-start of October. In the course of the visit the head of the Defense Agency, according to NIHON KEIZAI, emphasized his country's role as "member of the Western bloc and advocated the establishment of closer relations between Tokyo and NATO." The results of this visit were "appreciated highly" in Washington.

Intergovernmental American-Japanese consultations devoted to the question of the creation of a so-called "Pacific community" were held in Tokyo in November. According to Western press reports, this subject is to occupy a central place in the 2 January 1985 meeting between R. Reagan and Y. Nakasone in California. If the initiator of this idea--the Japanese side--today sees in the plans of the new "community" primarily opportunities for economic integration in the region and favorable prospects ensuing therefrom for its country's monopolies, Washington, after some hesitation, concluded that such a "community," if it is formed, could be united in a common chain with the existing NATO and ANZUS blocs and also with the United States' bilateral allies--Japan and South Korea. Realization of this design is now proclaimed an important foreign policy goal of the Reagan administration's second term.

The international community is expressing natural and legitimate concern in connection with the increase in militarist trends in the policy of the Japanese Government. Japan's growing participation in Washington's militarist preparations in the Far East is impeding the creation in this important part of the world of an atmosphere of peace and trust.

### 3. Imperialism Against the Peoples of the Developing States

The end of the year was a period of difficult trials which fell to the lot of the world's second most heavily populated state--India. The life of I Gandhi, outstanding stateswoman and public figure of the country and prime minister of the republic, came suddenly to an end on 31 October as the result of a foul assassination attempt. Her tragic death is a most severe loss for the Indian people and all friends of India. The telegram of condolences sent by K.U. Chernenko to R. Gandhi says: "For a long time holding the responsible office of prime minister, I Gandhi did much for India's development and progress in all spheres and for the strengthening of its international positions.

"I. Gandhi enjoyed deserved authority and profound respect in the international arena. She actively and consistently supported a strengthening of peace and the security of the peoples and states' equal cooperation. I Gandhi's services in strengthening the unity and increasing the international authority of the nonaligned movement are great.

"I. Gandhi attached importance to the consolidation of friendship and the development of all-around cooperation between the USSR and India."

India's independent course in the international arena, naturally, did not suit certain circles within the country and, particularly, outside. It served as a considerable obstacle to the realization of their far-reaching designs aimed at a change in the correlation of forces in this region and globally.

This is why for a long period, virtually from the time it gained independence, India has been the target of a hostile campaign and subversive actions undertaken for the purpose of pushing the country off its chosen path.

It is in this context, the Indian press believes, that the upheavals which have been experienced by the country recently, from the explosion of religious-communal discord in Punjab last summer through the assassination of I. Gandhi and the bloody clashes which followed in the capital and other cities of the country, should be seen. Observers agree that it is a question of a large-scale, carefully planned conspiracy of reactionary forces aimed at destabilizing the situation in the country, undermining its unity and comminuting it into a number of mutually hostile states.

As the facts uncovered in the course of the investigation of the I. Gandhi assassination testify, the preparations for the plot for the physical removal of the prime minister had begun long before Indian troops were sent into the Golden Temple, which refutes the version put forward by certain Western press organs to the effect that I. Gandhi's assassination was "revenge" for the "desecration" of the Sikh shrine. The testimony of the direct perpetrator of the foul crime, who remained alive, also confirms the suppositions of many foreign information organs that behind the back of the perpetrator of the crime were the same outside forces which were involved in the organization of the bloody orgy of violence in the state of Punjab. As is known, the ringleaders of the separatist movement of Sikh extremists, who have ensconced themselves in Pakistan and certain Western countries (the United States, Britain, Canada, the FRG) and who enjoy the protection of the local authorities, had repeatedly come out with unconcealed threats to deal with I. Gandhi and other leaders of the country. It is also indicative that at the end of October a group of saboteurs, who had undergone training in special camps on Pakistan territory, where they were taught the procedure of "removing India's national leaders," was arrested crossing the Indo-Pakistan border.

The organizers of the conspiracy were gambling on the forcible departure of I. Gandhi from the political arena and the "leadership vacuum" formed as a result bringing about a situation of chaos in the country. And in the first days following the prime minister's death it might have seemed that this insidious plan was working.

As the Indian press reported, in many cases the clashes on religious-communal grounds which occurred at that time were provoked by a variety of nationalist and extremist groupings which had sharply stepped up their activity. According to the newspaper PATRIOT, this testifies as clearly as can be to the existence of an anti-Indian conspiracy in whose realization the assassination of I. Gandhi was to have been merely the first step.

In this difficult and critical period in the life of the state the Indian leadership headed by the new prime minister, R. Gandhi, displayed, as many observers note, exceptional coolness, self-possession and decisiveness. The swift and vigorous measures adopted by the government to cut short acts of violence and disorders crushed the calculations of those who, in the words of the Indian press, were counting on the country's complete destabilization and the undermining of its state institutions.

While India's democratic forces were greeting with approval R. Gandhi's declaration of his resolve to continue the former domestic and foreign policy course, rightwing circles in India itself and abroad were not concealing their irritation. The national mourning was not even over before the opposition, consisting of a mixed conglomerate of bourgeois and communalist parties, initiated a shrill campaign for the purpose of disputing the competence of R. Gandhi's appointment as prime minister. The right are making haste: parliamentary elections are set for 24 December, and the election of R. Gandhi as leader of the Indian National Congress (I) and head of government, in the general opinion of observers, has strengthened the party's positions and its chances of victory. The decision to hold elections at the appointed time, the newspaper INDIAN EXPRESS observed, has struck a blow at certain circles in the country and abroad which were counting on their postponement or cancellation. Not in a position to counterpose to the Congress either a popular leader or a program in any way attractive to the electorate, the rightwing opposition is operating under the demagogic slogan "Down With Dynastic Rule".

The new Indian leadership is having to face not only the open attacks of the opposition but also an external threat to the country's security. The growing aggressiveness of the Pakistan authorities, which is being accompanied by a noisy anti-India campaign, is causing serious concern in India, as in other states. As the newspaper THE NATIONAL HERALD observed, this campaign began immediately following the return of Zia-ul-Haq, head of the military administration, from Delhi, where he has assured R. Gandhi of Islamabad's aspiration to create relations of trust and friendship between the two countries. Certain Pakistani press organs under government control have essentially become spokesmen for the supporters of "Khalistan" and the country's territory a strong point for conducting subversive activity against India. In October-November the Indian press was reporting almost daily exchanges of fire provoked by the Pakistan side. Observers are drawing attention to the bellicose statements of a number of high-ranking Pakistani figures and also to the fact that a large proportion of Pakistan's divisions and tank fleet has been concentrated in the areas bordering India.

Islamabad's present fit of bellicosity has coincided with numerous press reports of expanding supplies to Pakistan of the latest American arms. The Zia-ul-Haq regime has already obtained from the United States over half of the 40 F-16 fighter bombers promised by Washington and much other armament.

The strengthening American-Pakistan alliance cannot fail to alert the Indian Government, which believes that the persistent rearmament of Pakistan is complicating the situation in the region and, as Delhi believes, has no causal connection with the so-called "Afghan events". The nature and quantity of arms being acquired by Pakistan also points to this. The most likely direction of their use is India.

The Indian Government is also seriously concerned by the fact that the concentrated supplies of American arms to Pakistan are being accompanied by an anti-India campaign in which not only a number of influential U.S. mass media but also certain of this country's officials have joined. Attempts are being

made to portray India as a "potential aggressor" allegedly contemplating an attack on Pakistan. It was precisely thus that Delhi assessed the pronouncement of D. Hinton, U.S. ambassador in Islamabad, that Washington would come to Pakistan's assistance if India perpetrated aggression against it. The Indian foreign minister issued a blunt statement in this connection,

which had appeared in the Pakistan press according to which Washington had offered to open above Islamabad a "nuclear umbrella" (that is, provide nuclear "protection" similar to that afforded NATO countries) on condition that the latter abandon its nuclear program. One gets the impression, the TIMES OF INDIA wrote, that "incitement to war is the principal aim of U.S. policy."

It is now the seventh year that Pakistan's territory has been serving as the main springboard for waging the undeclared war against democratic Afghanistan, which is assuming an increasingly large-scale and dangerous nature. Supplementary to those already operating, new camps and centers are being set up for preparation of the Afghan counterrevolution (their total is already more than 100), and the network of arms and ammunition stores for the basmaks, thanks to the transfer to the brigands of stores of the Pakistan Army included, is being expanded. Not confining itself to training and arming the bands of cutthroats sent deep into Afghanistan, the Zia-ul-Haq regime has recently been increasing tension on the border, perpetrating acts of direct aggression against the neighboring country. In October and November Pakistani troops repeatedly subjected populated areas on Afghan territory to long-range shelling, in connection with which the Democratic Republic of Afghanistan [DRA] Foreign Ministry emphatically protested to Pakistan.

The moment chosen for the armed provocations catches the attention. They were undertaken in October during the visit to Islamabad of U.S. Assistant Secretary of State R. Murphy and in November, in the period of the visit to Washington of Pakistan's foreign minister, Yaqub Khan. And this was not coincidence, of course. By armed provocations against Afghanistan the Pakistan administration is manifestly demonstrating loyalty to its patron, whose support is seen by the military regime as the main prop permitting it to remain in power under the conditions of growing opposition on the part of broad strata of the country's population.

But the people of Afghanistan will not abandon the gains of the April revolution. With weapon in hand they are continuing the building of the new life, scoring impressive successes on this path. Despite all the trials and losses in the struggle against the counterrevolution, the numbers of the People's Democratic Party of Afghanistan [PDPA] have grown in 6 years from 15,000 to 120,000 members and candidates. The PDPA maintains relations with 52 revolutionary parties and progressive movements and organizations. The DRA, which the United States and its accomplices are trying in vain to "outlaw," is now recognized by more than 80 states. The position of the DRA Government, which confirms its earlier initiatives for a political settlement of the contentious and unresolved problems in relations with Pakistan and Iran, is reinforced by confidence in its own forces, the creative potential of the people and the dependability of the true friends of the Afghan revolution.



The events of recent months in South and Southwest Asia have again attracted the attention of the world community to a fact of considerable importance: the Pentagon's new "Euromissiles" are being installed such that their range encompasses not only the East European countries and the European part of the USSR but also a substantial proportion of Southwest Asia and North Africa. Furthermore, in the spring of 1984 the Pentagon began to deploy cruise missiles on ships of the U.S. 7th Fleet plying the Pacific and Indian oceans, that is, practically along the entire coastline of Asia. AFP reported Washington's proposed plans to spend \$500 million by 1989 on the creation of a launch complex for intermediate-range and intercontinental missiles on the island of Diego Garcia in the Indian Ocean, emphasizing that "the Pentagon views the island as the ideal place for guiding missiles to targets in Southwest and Southeast Asia and also in Africa."

One involuntarily recalls the words spoken a few years ago by Gen B. Rogers, present commander in chief of NATO armed forces in Europe: if a third world war is destined to begin, this will most likely occur along a Near East--Persian Gulf--Indian Ocean line. American diplomacy and the military are currently doing everything to ensure that the flame of military conflict in the region not die out.

After several weeks of relative quiet, military operations on the Iran-Iraq front again resumed in the fall. The latest flareup of the conflict occurred in the latter half of October, when the Iranian Army began a new offensive, long predicted by observers, against the positions of the Iraqi forces. In the opinion of foreign specialists, neither Iran nor Iraq is capable of achieving a decisive change in the course of military operations to its benefit. It is a war of attrition, which emphasizes its pointlessness even more. The protracted conflict has already led to great human losses and tremendous material damage for both sides. It has increased considerably the explosiveness of the situation in the region and is serving as a pretext for the expansion of imperialism's interference in the affairs of the peoples of the Near and Middle East.

The Arab-Israeli conflict also remains unsettled through the fault of imperialism and its agents. The Western press has contained many forecasts recently concerning the possibility of some shifts in Israel's policy in connection with the elections which have been held in this country. At the start of September, 6 weeks after the parliamentary elections, a government of "national unity" was finally formed in Israel. It incorporated on a parity basis representatives of the two leading political blocs--Ma'arakh and Likud. It was resolved in the course of long and stubborn bargaining that for the first 25 months the position of prime minister would be occupied by Ma'arakh leader S. Peres, the next 25 months by the Likud leader Y. Shamir.

The very fact of the conclusion of such an alliance, which quite recently even would have seemed "unnatural" to many people in Israel, confirmed for the umpteenth time that far more unites the two blocs than divides them and that on the basic issues of domestic and, particularly, foreign policy the differences between them are of a tactical nature. This is reason to believe that the alliance of the two political groupings was created not in the name of "national unity" but for the sake of the continuation, with certain

adjustments, possibly, of the previous adventurist policy, which has already plunged Israeli society into a state of profound crisis.

As observers note, the priority questions confronting the new government are a "recovery" of the economy, which is affected by severe ailments, and some solution of the problem connected with the occupation of South Lebanon. Both tasks are closely interwoven. The continuing aggression against the neighbor country is costing Israel dear both from the viewpoint of the losses being sustained by the occupiers and financially.

Judging by the first steps of the new Israeli leadership, it intends to seek a way out of the situation not in an abandonment of the bankrupt policy of confrontation with the Arab neighbors, which is the basic cause of the crisis, but on the path of the further attachment of the country to the U.S. economic and military machine.

The results of the talks which took place between the leaders of the two countries testify to this. Prime Minister S. Peres and Foreign Minister Y. Shamir visited Washington in October. Questions of an increase in American military-economic aid to Tel Aviv were discussed in the course of the visit. According to press reports, Israel sought the granting to it of an additional \$1.5 billion over and above the annual subsidies of the order of \$2.6 billion. The United States agreed to speed up the allocation of \$1.2 billion of the planned \$2.6 billion. Furthermore, agreement was reached on the creation of an emergency fund for maintaining Israel's currency reserves and enhancing its credit-worthiness when obtaining new loans.

The visit of Peres and Shamir to Washington was barely over before U.S. Defense Secretary C. Weinberger set off for Tel Aviv. According to a report in LE MONDE, in the course of the visit the Pentagon chief discussed with his Israeli colleague new areas of cooperation in the military sphere and also plans for the sale of Israeli weapons to the United States. The "contract of the century" for Israel's military industry was announced at the conclusion of the negotiations: supplies to the Pentagon of 4,400 mortars and ammunition for them. For its part, the United States agreed to make available to Tel Aviv modern technology for the production of the new Lavi fighter bomber being manufactured by Israel.

A secret agreement between "private" Israeli and American companies, in accordance with which the latter will assist their partners in the financing, design and putting into orbit of a space mechanism equipped with means of electronic espionage, became known. The construction of an astrodome in the Negev Desert is envisaged in the future. Meanwhile, according to press reports, the United States has made the decision to put one of its spy satellites at the disposal of the Israeli military.

Thus it is a question of a further strengthening of the military-strategic alliance of Washington and Tel Aviv aimed against the interests of the Arab peoples and peace and security in the region. Encouraging the militarist ambitions of its ally and giving it broad economic and political support, the United States is pushing Israel toward continuation of the policy of aggression and diktat in respect of neighboring states and the imposition on them of separate agreements aimed at consolidating the results of the wars unleashed by Tel Aviv.

Israel's position at the negotiations with Lebanon on the question of an end to the occupation of the south of the country serves as graphic confirmation of this. As a prior condition for the withdrawal of its troops Tel Aviv has put forward a whole number of demands, which it called "security guarantees". One of them provides for the Lebanese Government's recognition of the existence of the so-called "Army for the Defense of South Lebanon," which is maintained by Tel Aviv, and its deployment in the area adjoining the Israeli border. Furthermore, Israel is insisting on it being accorded some "right" to again invade Lebanon to assist this "army" should such a need arise.

With every justification the Lebanese Government regards such demands as an infringement of the country's sovereignty and considers them unacceptable. For its part, it is raising the question of Tel Aviv's payment of compensation for the damage caused by the Israeli aggression. Considering the contrast of the positions, the negotiations, observers believe, will be stubborn and prolonged. They do not preclude the possibility of Israel breaking them off, the more so in that it is not difficult to find a pretext for provocation: the population of the occupied areas is stepping up its resistance to the occupiers, and the terror which the Israeli military is raining down on the patriots could force the Lebanese Government to break off the negotiations, as was the case at the very start thereof.

Peace in the Near East may be established only within the framework of a general, comprehensive political solution which would include Israel's releasing of the territories which is illegally occupying and the right of the Palestinian people to an independent state. Such is the position of the Soviet Union and many other countries. The support which the USSR is giving the Arab peoples defending their right to independent development under conditions of peace and stability is of a fundamental nature and is devoid of any fluctuations of the moment. Whence the high authority of our country's policy in the Arab world.

This was confirmed anew during the visits to our country in October 1984 by presidents A.A. Salih of the Yemen Arab Republic, A.N. Muhammad of the PDRY and H. Assad of the Syrian Arab Republic and their meetings and conversations with K.U. Chernenko and other Soviet leaders. The negotiations, which were conducted in an atmosphere of friendship and mutual understanding, were new confirmation of the successful, fruitful cooperation between the USSR and these countries and their solidarity in the struggle against the aggressive policy of imperialism and for the preservation and consolidation of peace.

The Friendship and Cooperation Treaty Between the USSR and the Yemen Arab Republic was signed during the YAR president's visit to our country.

A traditional zone of complex local problems inherited by the young national states as a legacy of colonialism and intensified by the active interference of imperialist powers is Africa.

An example of such interference was the adventure undertaken in August 1983 to rescue the H. Habre grouping, which had seized power in Ndjamená in 1982. As is known, it suffered total failure last fall. Following Franco-Libyan negotiations, agreement was reached on the withdrawal from Chad of the French armed forces and the Libyan "support elements". Their withdrawal was completed at the start of November, but France's subunits were deployed in the Central African Republic, which neighbors Chad. Even at the moment agreement was reached it was declared that the withdrawal of the French expeditionary force by no means signified an end to Paris' military and technical assistance to the Ndjamená regime.

As might have been expected, the agreement on the mutual withdrawal of French and Libyan troops from Chad caused the unconcealed irritation of Washington officials, who had seen for themselves certain conveniences in the fact that the artificial retention in office of the pro-American Habre regime was being accomplished by other's hands. Having unleashed the latest anti-Libya campaign, Washington endeavored to frustrate the scheduled dialogue between France and Libya and suspend the withdrawal of forces from Chad. French officials, according to the London TIMES, declared plainly that Washington was pushing them toward a toughening of their stance in respect of Chad, particularly toward confrontation with Libya. U.S. Secretary of State G. Shultz insisted particularly on the latter, according to reports of informed observers.

The situation in the south of Africa also remains extremely tense. The following figures are indirect testimony to the growth of popular protests against the racist regime and its criminal domestic and foreign policy. In the past 20 years South Africa's armed forces have increased in terms of numbers more than 15-fold and are today the biggest on the African continent. In this same time military spending has increased 60-fold. South Africa has reached 10th place in the capitalist world in terms of the manufacture of combat equipment. The new constitution which has come into force in the country affords even more opportunities for militarist circles' virtual control of state policy. The events in the south of the continent at the end of 1984, the wave of mass protests of the indigenous population of South Africa and the reaction of the country's government to these protests buried the myth being fanned in the West that the racist South African regime was revising its domestic and foreign policy.

As is known, a "nonaggression and good-neighbor" treaty was signed on 16 March 1984 between the People's Republic of Mozambique and South Africa. But the racists' actual abandonment of military forms of struggle has not occurred. Literally a day after the completion of the negotiations a representative of the so-called "Mozambique National Resistance" declared to Western correspondents that "many people have misinterpreted the agreement" and that "the war will continue as usual." The war is indeed continuing "as usual". As J. Veloso, minister of state of Mozambique for economics for the presidency, pointed out, in the time "that has elapsed since the signing of the agreement with South Africa in Nkomati no practical results have been achieved." The minister warned that if the Mozambique National Resistance bandit raids continue, the agreement "will be in jeopardy".



In accordance with a UN General Assembly decision, an International Week of Solidarity With the People of Namibia was held at the end of 1984; they have been struggling against colonialists for over 100 years now. Namibia today is not only ruthlessly exploited by companies of capitalist countries, primarily of the United States and South Africa. Its territory has been turned by the South African racists into a springboard for aggressive operations against Angola, Botswana, Zambia and Zimbabwe. The United States and South Africa are torpedoing all steps by the United Nations and the "frontline" states for a peaceful settlement of the situation that has taken shape in this region.

In mid-November 1984 the Angolan Government presented new initiatives affording opportunities for a political settlement of the conflict. It proposed the conclusion of an appropriate agreement with the participation of Angola, Cuba, SWAPO and South Africa, the guarantor of which would be the UN Security Council. Such an agreement would provide for the withdrawal of South African forces from Angolan territory, South Africa's commitment to respect Security Council Resolution 435 concerning Namibian independence and contribute to its fulfillment, a cease-fire on a long-term basis between South Africa and SWAPO and also the start of the withdrawal of the Cuban internationalists from Angola following the start of implementation of Resolution 435. Furthermore, South Africa must end any support for UNITA bands, while the United Nations would observe the liquidation of this grouping's bases on Namibian territory.

However, operating via South Africa, as before, the United States and NATO are endeavoring to take advantage of the legitimate desire of the peoples of Angola, Mozambique and other "frontline" states to live in peace and security to win from them political and ideological concessions and to strike at the national liberation movement. The basic problems of Southern Africa remain unsolved and insoluble.

This was said on the platform of the 20th session of the assembly of heads of state and government of the OAU held in mid-November in Addis Ababa. The session was convincing proof that the peoples of the continent value highly their cohesion as a condition of successful struggle for truly independent and peaceful socioeconomic development. The participants in the session advocated liquidation of the vestiges of colonialism in the south of the continent, struggle against racism and apartheid and the granting of independence to the Namibian people. The majority of delegates was unanimous that it is imperialism and its policy which are responsible for the deterioration in the economic position of the countries of the continent. Africa, it was emphasized in this connection, is coming to the conclusion that at this stage American "assistance" is becoming a principal means of U.S. pressure on sovereign states of the region. The purpose of this policy is the further intensification of African countries' dependence on the capitalist powers.

J. Nyerere, president of the United Republic of Tanzania, was elected the new OAU chairman for the regular term at the session.

"The Soviet Union," the greetings of the USSR Supreme Soviet Presidium and USSR Council of Ministers to the participants in the session in Addis Ababa said, "together with all who are championing the cause of peace, freedom,

independence and social progress, value highly the OAU's role in the African peoples' struggle against imperialism, colonialism and racism and for the strengthening of the political and economic independence of their countries." The USSR will continue to abide by the policy of deepening and developing friendly relations with the emergent African countries and stand firmly on the side of peoples defending the legitimate right to dispose of their own fate themselves.

#### 4. Latin America--the 'Grapes of Wrath' Are Ripening

There is perhaps no other region in the world where the diverse, but invariably disastrous consequences of the imperialist policy of diktat, plunder and pillage are present in such concentrated expression as in Latin America. It is more than 150 years now that the United States has been lording it there at its own discretion, declaring this most vast zone something like a kind of neocolonialist reservation.

Addressing a congress of a most reactionary organization, Veterans of Foreign Wars, R. Reagan cynically asserted: "Grenada is free, and the entire Caribbean is living under conditions of stronger peace and security than before." He did not specify, of course, with what and how precisely a practically unarmed state with a population of roughly 110,000 threatened "the entire Caribbean".

In the period that has elapsed since the invasion Grenada has in fact been thrown back in its development many years and has essentially become a colony of the United States. All the social gains of the Grenadians which they achieved in 1979-1983 have been liquidated, mass democratic organizations have been banned and almost all the schools and the Adult Education Center have been closed. The majority of the 38 state farms has been denationalized, and the "released" land has been handed over to the latifundists. The island's economy is in the grip of a profound crisis, and one out of every three of the country's inhabitants is out of work. Hundreds of killed and wounded, thousands thrown in jail or concentration camps, starvation, epidemics and the growth of crime, drug-taking and prostitution. Such is the "progress and freedom" boasted of by Washington, which brazenly declares: "We have nothing to apologize for. Our armed forces acted in the best traditions of our country."

As regards the "traditions"--it is the truth. The aggression against revolutionary Grenada was the 13th overt armed intervention by the United States in Latin America and roughly the 60th in the Caribbean in the last 100 years. And how many interventions there have been carried out via intermediaries, but on the basis of American money and American weapons and in American interests!

Such "quiet aggression" has been going on in Chile for more than 11 years now. But the protest of the masses is growing, and its political base is being perfected. The differences which still exist within the opposition movement are gradually being overcome. The Popular Democratic Movement, which has united the communist and socialist parties and also the representatives of the Movement of the Revolutionary Left, has been operating since 1983. The authority

of another opposition organization--the National Workers Command, which incorporates all Chile's trade unions--is growing. Anger at the United States' political placeman, Pinochet, is assuming a truly universal nature, and as the tempestuous fall of 1984 showed, those who earlier supported the junta are among the malcontents. And this means that the movement for the restoration of democracy in the country is entering a qualitatively new stage: a significant broadening of the social base of protest and increased coordination and unity of action of the various political parties, movements and organizations--from left to center-right.

The struggle of the Grenadian people is growing also. The opposition, which last year underwent a difficult period of persecution, privation and a reassessment of what had occurred and its own mistakes, is again gathering strength for confrontation with the American occupiers and their local parasites. A new progressive party--the Maurice Bishop Patriotic Movement--has been formed. Its program goals have been formulated: struggle for the unconditional withdrawal of American troops and the restoration of national sovereignty and for the resumption of socioeconomic reforms in the interests of the broadest strata of the population, the rebirth of democracy on Grenada and proclamation of the entire Caribbean a zone of peace, independence and development.

U.S. Secretary of State G. Shultz candidly described the "action" against Grenada as a "sign" to others. Washington does not conceal the fact that the spearhead of this criminal policy is currently aimed primarily against Nicaragua and Cuba--the two revolutions accomplished by peoples of the Western hemisphere most hated by American imperialism.

In the past 3 years alone the U.S. Administration has spent at least \$73 million on supporting the counterrevolutionary forces in Nicaragua. More than 8,000 persons have died in this time as a result of bandit actions. In parallel the United States is effecting an economic blockade of Nicaragua, as a result of which the country's total losses constituted \$237 million in the period 1981-1984. But the Nicaraguans are not retreating... "...The Sandino people," D. Ortega emphasized, "have found the correct solution of the problems of organizing the country's defense, having risen to the struggle with the weapon in hand, participating in the fight for production and implementing social transformations."

Genuinely free democratic national elections were held in Nicaragua on 4 November for the first time in the country's history. On the threshold of this event the United States sharply stepped up interference in the republic's internal affairs for the purpose of disorganizing the preparations and disrupting the elections. All means were used for this: the enemies of the Sandinist revolution spread malicious fabrications concerning the nature of the impending elections, slandered the regime and its policy and goals and attempted by terror to frighten away the electorate from participating in the voting.

But the sabotage did not succeed. Almost 500 journalists and public figures and politicians from the United States and Canada and West European and Latin American countries, including Central American and Caribbean states, observed the elections. Objective observers had to admit, as did the bourgeois French newspaper LE MATIN, for example, that "all the demands of democracy were observed in the course of the elections." And the opinion of the American ABC television: "The elections were free and fair."

A most convincing victory was won at the elections by the Sandinist National Reconstruction (sic) Front (FSLN). Some 67 percent of the electorate voted for its candidate for the office of the country's president, D. Ortega, member of the FSLN National Directorate and coordinator of the Junta of the Government of National Reconstruction. S. Ramirez, member of the Junta of the Government, was elected the country's vice president. Seats in the National Assembly (parliament) were allocated thus: the FSLN 61, the Democratic Conservative Party 14, the Independent Liberal Party 9, the Popular Social Christian Party 6 and the remaining three parties 2 seats each.

It was universally acknowledged that the elections were a triumph for the policy pursued by the Sandinistas and graphic testimony to the further consolidation of all the country's patriotic forces around the FSLN and its political program.

The subsequent development of events has confirmed with all certainty that the U.S. administration is purposefully leading matters toward a repetition in Central America of the "Grenada version" and preparing for such an action not only the American and international public but also material resources.

The White House is attempting in parallel to create among the public the impression that it is prepared to take advantage of "every opportunity" for the search for a political solution. As of June 1984 the United States has for this purpose consented to periodic direct contacts with representatives of the Nicaraguan Government. However, eight rounds of such negotiations conducted in the Mexican city of Manzanillo have produced no results owing to the obstructionist position adopted thereat by the United States. For the same propaganda purposes the White House "urged" the leader of the Salvadoran regime, N. Duarte, to consent to a meeting with representatives of the country's patriotic forces, the proposal concerning which was originally conveyed by the Farabundo Marti National Liberation Front (FMLN) and the Revolutionary Democratic Front (RDF) back in May 1984.

The meeting of representatives of the FMLN and RDF leadership with N. Duarte, head of the Salvadoran ruling regime, took place at the stipulated time in the city of La Palma--82 kilometers from the Salvadoran capital. As THE NEW YORK TIMES put it, it "was a big achievement for the guerrillas," who had repeatedly proposed negotiations. However, subsequently the Duarte regime has virtually blocked continuation of the search for a political solution.



Commenting on the results of the negotiations, even the American press was unanimous in the assessment that Reagan was attempting to gain political capital thereat prior to the election. In an interview with the BOSTON GLOBE R. White, former U.S. ambassador to El Salvador, assumed that while supporting in words the meeting in the city of La Palma the Reagan administration is in practice "doing everything possible to undermine any agreement in El Salvador." "Many officials believe," NBC pointed out, "that there can be no real negotiations or compromise with the communists in Central America. On the contrary, they believe, ultimately... the United States will have to use its military muscle in this region to solve the problem."

Simultaneously Washington has virtually completely blocked the Contadora Group's efforts aimed at a political solution of the problem. As is known, back in October 1983 Mexico, Colombia, Venezuela and Panama presented an initiative on ways to establish peace in Central America. The Contadora project provides, inter alia, for the following: a verifiable arms reduction in the countries of the region; patrolling of borders for the purpose of stopping armed groups and supplies of weapons crossing them; a ban on the use of others' territory for attacks on neighboring countries, withdrawal of all foreign military advisers; respect for human rights; and also the creation of democratic governments in the region.

Having carefully weighed all the pros and cons, in September 1984 the Nicaraguan Government declared its readiness to sign the completed draft "act of peace" without any changes and additions and called on the other interested countries to follow its example. However, those to whom this appeal was addressed displayed a complete lack of interest in the achievement of a political settlement.

Back in April 1984 the foreign ministers of Honduras, El Salvador and Costa Rica had presented a joint statement which was heard as a rejection of the accords arrived at earlier in the draft "act of peace". The United States, on the other hand, supported the document in words, but... only until the moment when Nicaragua declared its readiness to append its signature. After this Washington immediately withdrew its approval, thereby demonstrating once again the true content of its policy as a counterweight to its own peace-loving declarations.

A campaign of unprecedented pressure was initiated in parallel both on the participants in the Contadora Group and on other Latin American states. Under a special "press" fell Mexico, which President R. Reagan addressed with cynical bluntness: "If Mexico wishes to continue to enjoy the benefits of U.S. economic assistance, it will have to support its policy in Central America." Essentially the same was declared to the participants in the 14th Session of the OAS General Assembly, of which was demanded--but not achieved--unconditional support for any U.S. actions in Central America.

In this situation the Nicaraguan Government consented to a force measure. On 12 November the Defense Ministry issued an order for the armed forces throughout the country's territory to be brought to a state of enhanced combat readiness. Mobilization of the civil defense forces was announced also.

The Nicaraguan Government of National Reconstruction declared that it had no intention of acquiescing in the flagrant violations of its sovereignty by warplanes and ships of the United States.

The support of the Nicaraguan people's just cause on the part of the democratic international community, primarily the USSR and the other socialist states, is inestimable. "On the side of the just cause of the Nicaraguan people, who are courageously defending their freedom and independence, are the sympathies and solidarity of all to whom the ideals of peace and progress are dear," the congratulations of the USSR Supreme Soviet Presidium sent to D. Ortega in connection with his election as president of the Republic of Nicaragua emphasized.

Latin America is seething. In the wake of Argentina and Bolivia, military rule has come to an end in Uruguay, where general elections were held on 25 November at which a president, vice president and members of both chambers of the Constitutional Assembly (parliament) and local organs of power were elected. The Colorado Party proved the winner at the elections. Its candidate, J.M. Sanguinetti, was elected president of the country. Power will be handed over to the Constitutional Assembly on 15 February 1985, and the president will assume his duties on 1 March. The people are linking with the new stage in the life of the country hopes for the surmounting of the grim legacy bequeathed by the military regime and the country's pursuit of an independent foreign policy, his intention to abide by which Sanguinetti has declared.

The broadening struggle of the Latin American peoples against the dictatorial regimes supported by the United States also made its mark on the course of the OAS General Assembly 14th Session and the documents which it adopted. Despite the unprecedented pressure on the part of the American delegation, the participants in the session emphatically condemned the constant violations of human rights in Chile, El Salvador and Guatemala, on Haiti and in a number of other members of the organization and demanded an end to this shameful practice and the adoption of effective measures to ensure democratic liberties in the region. They also pointed to the ineffectiveness of the existing inter-American system and demanded that it be brought into line with Latin American states' urgent political, economic and social needs. In spite of the counteraction of the United States, the decision was adopted to convene a special OAS session in 1985 for a radical review of the present structure of the inter-American system, which ensures merely the undivided sway therein of the United States.

##### 5. Peoples of the World Against Militarism and Aggression

The fall of 1984 inscribed striking new pages in the people's struggle against the imperialist policy of arms race and international plunder and for a turn toward a cardinal improvement in the international situation. This was shown convincingly by the UN General Assembly 39th Session, which opened on 18 September, and confirmed by the mass demonstrations in various countries.

The main task of the latest UN General Assembly session, with regard for the atmosphere in the world in which it opened, was determined by the need to concentrate the attention and efforts of the international community more than ever before on preventing nuclear war, on which the solution of all other problems confronting mankind depends.

Driven by these considerations, the USSR and the other socialist community countries presented at the session a number of initiatives geared to the accomplishment of a most important task of our time--halting the arms race and reducing the military danger. Considering what had been achieved at preceding sessions, the Soviet Union proposed inclusion on the agenda as important and urgent points the questions "The Use of Space Solely for Peaceful Purposes, for the Good of Mankind" and "The Impermissibility of a Policy of State Terrorism and All Actions of States Aimed at Undermining the Sociopolitical System in Other Sovereign States".

The corresponding proposals and also the general approach of our country to urgent questions of the current international situation and the ways and methods of their solution were set forth in the speech at the session of A.A. Gromyko, head of the Soviet delegation. The speech at the session of the U.S. President, who used the UN platform for propaganda, election purposes, about which the American press itself wrote candidly, was in sharp contrast to the constructive, responsible approach of the USSR. Reagan's speech contained many general parts on the need to achieve universal and lasting peace, but not one single in any way constructive proposal was heard for the actual curbing of the arms race, primarily the nuclear arms race.

The general political debate, which lasted 3 weeks, showed that the USSR's proposals were consonant with the mood of the majority of participants in the session. The representatives of the international community expressed disquiet and concern in connection with the continuing explosive situation in many parts of the world, spoke of their solidarity with the Nicaraguan people, condemned the policy of apartheid and called for the immediate withdrawal of Israeli troops from the territories they are occupying and a halt to the military conflict between Iraq and Iran. The heads of the delegations of Arab and a number of other countries supported the USSR's proposals aimed at the achievement of a political settlement of the Near East crisis.

The representatives of many developing countries sharply criticized in their speeches at the session the policy of the capitalist North in respect of the developing South. They paid particular attention to the practice of the crippling terms of imperialist "aid" imposed on the countries of this group and the diktat accompanying it on the part of the imperialist states. It was emphasized that the problems of the developing world cannot be solved without having secured in practice a halt to the arms race.

If some tangible and visible, in the full sense of the word, proof were needed of how the United States is counterposing itself to the entire international community, a multitude of items thereof was provided by the UN General Assembly 39th Session.



The voting on draft resolutions on the questions discussed, particularly in the First (Political) Committee, reveals a picture indicative in the highest degree: only the United States and 10-15 of its closest allies are opposed to the resolutions, whose authors are displaying genuine concern for the fate of peace and the cause of disarmament. In some cases the United States remains in "splendid isolation"; its position proves so odious that it is not even supported by America's closest "friends". The session showed that the Western powers oppose not only the initiatives of the USSR and other socialist countries (this is practically automatic) but also proposals submitted by a group of neutral and nonaligned countries--such as Austria, Argentina, Egypt, India, Indonesia, Mexico, Pakistan, Uruguay, Sweden and Ecuador.

The militarist policy of imperialism, primarily America, is encountering the resistance of the peoples expressed in increasingly active forms. The antiwar movement has not known such proportions for a long time. In accordance with a decision of a special session of the UN General Assembly and the World Peace Council, the Seventh World Disarmament Action Week, within whose framework there were antiwar measures in dozens of states, was held 24-31 October 1984. A conference of representatives of antiwar movements of Europe and North America, which was held following an appeal of the WPC, was conducted at the start of October in Helsinki. Prominent public figures, members of parliament, emissaries of antiwar movements and associations from 21 countries of the continent and also the representatives of 12 international organizations participated in a session of the International Committee for European Security and Cooperation in the Belgian capital. The participants in these and other measures advocated an end to the arms race in the world and the region, prevention of the militarization of space and the continuation and extension of all-European cooperation in the name of peace and the security of the European peoples.

The Socialist International Disarmament Consultative Council, which held its session in Tokyo, issued an appeal in support of a halt to the arms race. Prominent figures of socialist and social democratic parties and members of parliament of Finland, the FRG, Italy, Australia, Austria, Switzerland, Senegal, Malaysia and Japan took part.

The declaration of cities or populated areas nuclear-free zones has arisen and become a marked factor of domestic political life and a prevalent form of protest against the arms race in leading capitalist states. The numbers of such zones in the fall of 1984 were thus: 281 in Belgium, 157 in Britain, 117 in Ireland, 81 in Norway, 71 in Holland, 58 in the United States and 53 in Italy.

The demands for the conversion of certain parts of the world also into nuclear-free zones are being stepped up. Last summer 13 members of the forum of South Pacific states basically reached agreement concerning the main provisions of a draft treaty proclaiming this region a nuclear-free zone, which caused irritation and confusion in Washington. In mid-September agreement in principle to declare the region a zone free of nuclear weapons was reached by the ASEAN members at the meeting of this organization's Permanent Committee in Kuala Lumpur (Malaysia).



The idea of the creation of nuclear-free zones is encountering growing support in other parts of the world also. The Greenland Parliament passed unanimously a resolution in November 1984 proclaiming this island, the biggest in the world, a nuclear-free zone in all situations and for all time. Not long before this the Danish Parliament--the Folketing--also passed a resolution which makes it incumbent upon the government of this country to prevent the deployment of nuclear weapons on Danish territory both in time of peace and at a time of crisis and war. Earlier, as is known, the country's parliament had advocated a halt to Denmark's financing of NATO expenditure connected with the deployment of the new American missiles in West Europe. The broad complex of questions connected with the creation of a nuclear-free zone in North Europe was discussed at the end of November at a conference which had opened in the Danish capital of public forces of the northern countries for the creation of a nuclear-free zone in North Europe. Millions of Danes, Swedes, Norwegians and Finns have already signed an appeal in support of this action.

The first joint conference of peace supporters of Portugal and Spain under the slogan "For a Pyrenees Free of Nuclear Weapons" was held in Lisbon. More than 100 delegates of various political parties, members of parliament, prominent public figures, political movement activists, science and culture workers, servicemen, scientists and priests participated. Expressing the will of the peoples of the two countries, its participants formulated recommendations for the Spanish and Portuguese governments concerning the conclusions of a bilateral treaty which would ban the deployment, transportation and storing of nuclear weapons in the Pyrenees.

All European countries and beyond our continent also apprehended with great attention the propositions expressed by K.U. Chernenko during the meeting on 26 November 1984 with N. Kinnock, leader of the British Labor Party. The head of the Soviet state emphasized, as is known, that if Great Britain were in practice to renounce its own and foreign nuclear weapons and have them removed from bases on its territory, as the Labor Party promises to do in the event of coming to power, the commitment assumed by the USSR back in 1978--not to use nuclear weapons against states which renounce the production and acquisition of nuclear weapons and do not have such on their territory--would extend to it in full measure.

In addition, K.U. Chernenko emphasized, the USSR would be ready to reduce and physically liquidate the part of its intermediate-range missiles in the European part of the country as corresponded to the number of nuclear missiles liquidated by the British side. All questions connected with this could be the subject of discussion and a corresponding agreement between the USSR and Great Britain.

The period which has elapsed since imperialism, primarily American, foisted on the world a new, dangerous round of confrontation and arms race affords sufficient grounds for certain conclusions. First, it has shown as clearly as can be that the threat on the part of imperialism has never been so great. And this indisputable fact is being recognized increasingly fully throughout the world, in the West included.

Something else is obvious also: the attempts to upset the evolved military balance and achieve superiority over the socialist world, even less, to "ruin" the socialist states by an arms race are not producing for the initiators of the attempts the desired results. They are merely poisoning the political atmosphere in the world even more and making more difficult the transition to the achievement of constructive agreements and the solution of the problems confronting mankind.

Indubitable also today is the fact that Washington's endeavor to solve all contentious international questions by the "simple and dependable," from its viewpoint, means of military force and the policy of counterposing itself to the entire international community is encountering the growing resistance of the peoples, as far as resistance with weapon in hand. And this will be perceived increasingly strongly in Washington also.

At the end of 1984 much was being said in the American capital about a desire to halt the arms race, turn back from the approach to the fatal line and ease international tension. It would only be welcomed worldwide if these declarations were followed by steps corresponding to them. Our country's answer has been and will be constructive. As K.U. Chernenko emphasized, we, "in unity with the socialist community countries, have done and will continue to do everything within our power to improve the world's political climate and ward off the military threat hanging over mankind."

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## 'CRISIS PROCESSES' IN ANZUS EXAMINED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1,  
Jan 85 (signed to press 17 Dec 84) pp 107-112

[Article by E. Grebenshchikov: "ANZUS--Centrifugal Trends?"]

[Text]

### I

Washington has for many years regarded the situation in the South Pacific as being under the firm control of the United States and also of its dependable and long-standing partners--Australia and New Zealand. The said countries constituted ANZUS, which was formed in 1951 allegedly for the purpose of removing the threat of a revival of Japanese militarism. In reality, however, this alliance has been directed from the very outset against the national liberation movement in the Pacific (and, later, Indian) oceans and has had a clearly expressed anticommunist coloration.

The provisions of the "Pacific Security Pact," as ANZUS is called officially, provided for joint actions in the event of an "armed attack" on the subscriber countries or on territory belonging to them and also the maintenance of militarist efforts "at the proper level". The annual sessions of the ANZUS Council (the bloc's highest body) are conducted at foreign minister of deputy foreign minister level in each of the three capitals in turn.

ANZUS has been functioning efficiently, in the viewpoint of its creators, as an instrument of support for U.S. operations for almost one-third of a century. While U.S. ruling circles were concerned with conflict centers in other areas Australia, as the London journal WORLD TODAY put it, "was not all that visible on the Washington horizon. A detailed analysis of Australian foreign and domestic policy served as the lot of a handful of middle-echelon bureaucrats in the State Department and the intelligence departments."\* The situation has now changed. American strategists are having to get right down to studying the problems which have arisen recently in intrabloc relations.

The United States reacted extremely cautiously to the assumption of office in Australia in March 1983 of the R. Hawke Labor government and expressed dissatisfaction in connection with some of its first steps in the foreign policy sphere, particularly the attempts at "bridgebuilding" between Hanoi and the ASEAN countries and the stimulation of dialogue between them. While in

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\* WORLD TODAY, February 1984, p 71.

opposition the Labor leadership, taking stock of the opinion of the electorate, raised questions which irritated the U.S. Administration--on the disclosure of the functions of the Pentagon's military facilities on Australian soil, the calls of foreign warships at its ports and, to crown it all, on a revision of the ANZUS Pact. Members of the Labor Party initiated a discussion on the fifth continent concerning the nature of the commitments imposed on Australia by membership of the bloc and also the restrictions connected with these. However, the debate essentially ended inconclusively. Finding itself at the helm of state administration, the Labor Party, under pressure from Washington, has slowly let slip the demands widely supported by the electorate for a revision of the provisions of the pact and other changes in the foreign policy course.

The Labor leadership's drift to the right was shown distinctly by the results of the ANZUS 32d Session in Washington (July 1983). Speaking at a press conference at the end of the session, Australian Foreign Minister W. Hayden on the one hand acknowledged the unsatisfactory nature of a situation where his country was viewed as an "appendage of a superpower" and, on the other, claimed that it was essential "to be guided by the ANZUS spirit in the approach to many phenomena" which are not formally within its jurisdiction. At the same press conference W. Cooper, at that time foreign minister of New Zealand, observed that the bloc's members are occupied with the situation not only in the Pacific but also Indian ocean, although the alliance's zone of activity extends, according to the 1951 pact, merely to the Pacific. He preferred not to designate the precise boundaries of ANZUS' sphere of responsibility, saying that "we are very, very interested in the efforts being made by the United States and other countries (of the West--E.G.) in other ares, and global responsibility... extends to us also."

The pronouncements quoted were manifestly intended for the overseas audience. But W. Hayden also had to "render account" to his compatriots demanding the country's more independent line in the world arena. To these circles were addressed the following words of the minister: "I am absolutely certain that... we must put an end to the confusion and contradictoriness which arise as a result of our efforts to perform a global role (in the plane of support for the United States--E.G.), which has always seemed to me a quite extravagant intention." Furthermore, W. Hayden promised to draw a line under the tendency of Australia's "conservative circles" to view through the prism of ANZUS "any conceivable action which we might take." The commitments ensuing from bloc membership, he said, have "precise boundaries," and "steps may be taken" by the government "which go beyond their limits."\*

The adduced utterances reflect the duality of Canberra's policy, which is explained by the contradictions between the imperatives of bloc policy and the opinions of the majority of ordinary Australians. Incidentally, its practical course has shown subsequently that the Labor leadership has become

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\* DEPARTMENT OF STATE BULLETIN, September 1983, pp 71-73.



just as loyal, if not to say obedient, a partner of Washington as its predecessors,\* and only in individual instances does it display an aspiration (not too insistent, incidentally) to occupy an independent, enterprising position. The supporters of a strict pro-American policy have thus temporarily succeeded in blunting the criticism leveled at the ANZUS bloc on the part of the country's democratic circles and defending the interpretation of the pact's provisions which prescribes the unswerving following of the lead of the power across the ocean.

The R. Hawke government has given way to American pressure on other questions also. For example, at the end of 1983 the Australian authorities for some time refused the British aircraft carrier "Invincible" permission to call at the port of Sydney for overhaul inasmuch as the ship's commander refused to say whether or not he had nuclear weapons on board. As is known, this carrier headed the British task force which took part in the "Falklands expedition" (earlier the Australian military had contemplated acquiring it). The White House immediately embarked on a vigorous demarche through diplomatic channels, as a result of which the Australian Cabinet authorized the carrier's call and promulgated new rules according to which warships of "friendly countries" were permitted to visit local ports unhindered, without notifying the authorities as to the presence or absence of nuclear weapons on board. The opposition, which accused the Hawke government of a "mortal sin"--damaging the ANZUS bloc and the five-party ANZUK agreement\*\*--operated in concert with Washington and London.

The participants in ANZUK are two ANZUS members (Australia and New Zealand), a leading NATO power--Great Britain--and also two states in the ASEAN grouping--Malaysia and Singapore--which have proclaimed their allegiance to the nonaligned movement. The ANZUK agreement is designated in a number of publications and works as an amorphous, inadequately structured alliance. Truly, ANZUK does not possess joint armed forces and a ramified integrated structure, yet nonetheless performs functions of considerable importance in Southeast Asia and beyond. ANZUK represents, as the journal ASIA PACIFIC COMMUNITY put it, "a ready mechanism for consultations on questions of the security and joint defense actions"\*\*\* of the states incorporated therein. The participation of Britain in the agreement affords definite ground for categorizing this bloc as an instrument of imperialist policy in Southeast Asia. It is well known, for example, that the military exercises and maneuvers conducted within the ANZUK framework are organized in accordance with the NATO model.

According to the data of the Australian newspaper THE AGE, a joint Australian-New Zealand intelligence subunit supplying information on the movements of Soviet ships to the appropriate services of the United States and Britain is based in Singapore. Field Marshal E. Bramall, Britain's defense chief of

\* See C. Bell, "Hawke in Office: Towards Bipartisanship in Australian Foreign Policy?" (WORLD TODAY, February 1984).

\*\* See JAPAN TIMES, 10 December 1983; THE TIMES, 15 December 1983.

\*\*\* ASIA PACIFIC COMMUNITY, Winter 1984, p 24.

staff, made a tour of Southeast Asia in November 1984. He visited a number of Indonesia's military-industrial enterprises, where he studied the possibilities of the establishment of military cooperation with this country. The British military leader also visited Malaysia and Singapore.

The exacerbation of the international situation which has been provoked by imperialism in recent years has breathed new life, as it were, into this organization. The alliance, which was created at the start of the 1970's, when the final permanently stationed British contingents quit the said region, has come in useful for spurring the militarist measures and confrontational policy of the West and local reactionary forces. Australia takes first place in ANZUK. And whereas earlier it intended (for economy purposes) completely winding down its military presence on the Malaccan peninsula, it is now planning to dispatch to the base in Butterworth (Malaysia) the latest fighters to replace obsolete ones (true, they will be based for a limited time there, at certain intervals).

Within ANZUK Australia performs the role not only of leading member but also conduit of American influence.

In parallel with the stimulation of ANZUK (we would mention primarily the more frequent maneuvers and exercises) plans are being hatched for the association thereto in one form or another of Thailand--a "frontline," in Western terminology, Southeast Asian state. In particular, the idea of aligning Thailand and also Brunei with the joint ANZUK air defense system has been expressed.\* Judging by press reports, Bangkok officials are favorably inclined toward such projects. Washington is undoubtedly counting on Australia's energetic assistance in the realization of these plans.

## II

So, the United States succeeded in "disciplining" Australia's Labor government, but not, it is true, without a certain resistance on the part of the latter. But the New Zealand Labor Party--now the ruling party--has appeared at the forefront intrabloc politics here. The results of the elections in New Zealand in July 1984 (they put an end to the 9-year rule of the National Party) represented an impressive demonstration of the strength of the electorate's antinuclear, antibloc mood. They also reflected the crisis state of the New Zealand economy. The R. Muldoon government, which was distinguished by a loyal attitude toward the transoceanic power, was heavily defeated.

The new cabinet has announced in accordance with its election platform the imposition of a ban on calls at New Zealand ports of American ships carrying nuclear weapons or nuclear-powered ships.\*\* This step reflects the New Zealanders' aspiration to convert their country into a nuclear-free zone and is undoubtedly their sovereign right. But the White House assessed it as an

\* See FAR EASTERN ECONOMIC REVIEW, 7 June 1984, p 28.

\*\* In accordance with existing practice, the U.S. naval command refuses (allegedly to maintain secrecy) to notify the governments of the countries at whose ports American ships call of the presence or absence on them of nuclear weapons. Thus the ban extends to all U.S. warships. According to press data, in preceding years up to 12-14 American ships annually availed themselves of the right to anchor in New Zealand ports (FAR EASTERN ECONOMIC REVIEW, 28 September 1984, p 40).

intolerable violation of "allied solidarity" and the undermining of the ANZUS bloc and, together with this, virtually the entire system of Pacific allies and groupings created by the imperialist powers in the postwar decades.

The Labor Party national conference in Wellington at the start of September 1984 called for the country's withdrawal "from all military alliances with nuclear powers". The prime minister himself, D. Lange, for his part, noted the "extremely abstract" nature of the ANZUS Pact, which was concluded over 30 years ago, that is, in a period when nuclear weapons did not play such a big part as now (ASAHI interview of 23 August 1984), and also advocated reduced emphasis on the military aspects of the bloc.

At the same time the New Zealand prime minister declared repeatedly that the government did not intend breaking with the ANZUS bloc and weakening relations with the United States in other spheres and would also make, as before, its contribution to the five-party ANZUK agreement.

The White House, however, is demanding total obedience and unquestioning subordination. It fears that the "New Zealand virus" will spread to other countries, where good soil for it exists--the universal acute dissatisfaction with the Reagan administration's incendiary policy. The issue is posed thus: membership of ANZUS makes guaranteed free access for U.S. nuclear ships binding. According to the head of the U.S. Administration, he has "every reason to believe that a ban will not be imposed on visits of American nuclear ships." For his part, Lange expressed the hope that "Reagan's other foreign policy pronouncements are based on the facts to a greater extent than this." Reagan's observation served as a kind of command for the start of a plan-based and systematic campaign against the New Zealand "heretics" (one Australian figure, casting aside diplomatic conventionality, termed this operation "knocking common sense into their heads").

Washington and Canberra also obviously believe that "allied duty" makes it incumbent upon the New Zealand Labor Party to disregard national interests, as equally, election promises. The United States does not conceal its hopes that the New Zealand leaders will repeat the evolution already undergone by the present Australian Government. It is prepared to grant Wellington some time, it is true, until, say, the convening of the next ANZUS bloc session in 1985, to "settle" the question of American nuclear ships' calls at New Zealand ports. The rightwing-conservative London DAILY TELEGRAPH of 15 August 1984 cut this time in half, accusing the New Zealand Labor Party of "unnecessary" steps: "Lange has 6 months to change his decision before large-scale naval exercises of all the pact's participants begin...." In the next few months, the London ECONOMIST tries to suggest, Lange could, "operating in the Hawke style," persuade his party to give up its demands.\* Two weeks later the same weekly again exhorted the New Zealand Labor Party to abandon "extremes," by which it meant anti-American slogans.\*\*

\* See THE ECONOMIST, 1 September 1984, p 18.

\*\* Ibid., 15 September 1984, p 54.



Nor did high-ranking State Department officials remain aloof. In an interview P. Wolfowitz, U.S. assistant secretary of state for Asia and the Pacific, adopted a categorical and peremptory tone: "ANZUS is a military alliance. Cooperation between our armed forces is absolutely essential for the functioning of the alliance, and access to ports and airfields is exceptionally necessary for such military cooperation. We are absolutely certain that this problem must be resolved, and we are concentrating our attention on it."

Washington has threatened to supplement the psychological pressure with economic pressure. Influential U.S. congressmen De La Garcia and S. Solarz made it understood at the end of September 1984 that New Zealand, if it does not "mend its ways," will encounter on the American market sales difficulties, of its dairy products particularly. It has to be said that a quite sensitive point for the economy of the small country was chosen for the pressure. Nonetheless, the blackmail has not yet had the anticipated effect. The London TIMES reported a little more than a week after the congressmen's demarche: "A public opinion poll has shown that Lange has the support of 70 percent of New Zealanders--even more than at the time of the elections."

The Labor Party was not about to cancel its decision. An ASIaweek editorial article wrote that it is "fully resolved to prevent a development of events where the country of the 'long white cloud' (as New Zealand is sometimes called--E.G.) would become the country of the vertical cloud of a mushroom shape."\* Upon his return from the United States, where he participated in the UN General Assembly session and met with American representatives, D. Lange declared that his cabinet would stick to its guns.\*\*

Expounding at the end of September 1984 in London the principles of the foreign policy of the government he heads, D. Lange emphasized that it "is adhering firmly to its policy of banning the deployment of nuclear weapons in the country and its territorial waters," calling this "a profoundly considered program decision." Responding to the critical attacks against him, the prime minister explained repeatedly that "we are struggling not against America but against an escalation of the nuclear arms race." "This small state, which during the war sent 135,000 of its soldiers to fight the Nazis in a different hemisphere, will not allow itself to be ordered about," the Canadian TORONTO STAR writes.

The problem of the anchoring of American nuclear ships is for the New Zealanders just one aspect. The R. Muldoon government had previously used these calls for overt power pressure on its compatriots and as an "argument" in the domestic political struggle. Thus an American cruiser carrying nuclear weapons, THE FAR EASTERN ECONOMIC REVIEW writes, "arrived in New Zealand precisely on the eve of the Labor Party 1983 annual conference. Submarines and surface nuclear ships customarily dropped anchor in local ports on the eve of elections and at

\* ASIaweek, 20 July 1984, p 5.  
\*\* The New Zealand Government supported a bill proposed by the Social Credit Party on declaring the country a zone free of nuclear weapons; it has been submitted for consideration by parliament.



other times when Muldoon considered that the dockers' unions might declare local or general strikes."\*

However, such a flagrant tactic proved to be a boomerang. Some 30,000 New Zealanders (the figure is very impressive for a country with a population of only 3.2 million) organized a protest march in connection with the arrival of the American nuclear-powered cruiser "Texas". New Zealanders emphatically reject the "right" of the "senior partner" to interfere in their internal affairs by way of a show of naval might in proximity to New Zealand's shores and in their ports. It is transpiring as clearly as can be that it is by no means the Soviet Navy, as imperialist propaganda trumpets incessantly, which threatens New Zealand.

### III

The Pentagon, to judge by everything, in no event intends permitting a weakening of its positions and, even less, any breaches in the military-strategic system of imperialism in the South Pacific. Thus prior to the recent elections in New Zealand even steps had been taken to reinforce the U.S. military presence on Australian territory. "The Australian military budget is moving in the right direction"--L. Korb, assistant U.S. secretary of defense, expressed in such words satisfaction with the growth of Canberra's corresponding appropriations. He promised that U.S. warships (which, in his words, have been accorded "very comfortable conditions") will call at Australian ports "more often and in greater numbers."

As shown by the data on the growing number of U.S. servicemen "resting" in Australian ports in connection with the overhaul and refueling of their warships, the Pentagon is acting precisely thus. Whereas in 1980 there were 11,100 such visits, in 4 months of 1984 there were 20,000. Owing to the growing protests of the local community, the authorities of the state of Western Australia are contemplating henceforward "for security reasons" not publishing precise summary data on the American visitors.

As is known, the biggest space-tracking and information-gathering station outside of the United States with a very broad range of interception is located in the center of the fifth continent, in Pine Gap, which, thanks to geological conditions, is free of electronic interference. This center, which only theoretically is under "joint" American-Australian control, is maintained by 500 men, but the majority of leading positions are occupied, as a rule, by Americans. There is a military base in the south of the continent, in Narrangar. In 1985 the Pentagon intends spending \$126 million on expanding and modernizing this most important facility, which, as is known, will be assigned new functions in selecting and adjusting targets for nuclear attack. In July 1984 (Narrangar) was inspected by B. Davis, commander, U.S. strategic air command.

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\* FAR EASTERN ECONOMIC REVIEW, 30 August 1984, p 30.

A major Pentagon radio communications center is situated in North West Cape (Western Australia). This base performs an irreplaceable role in controlling and monitoring the movements of U.S. warships in the Indian Ocean, including those carrying nuclear weapons, and, it is claimed, contributes to "maintaining the global balance".

In June of 1984 Australian Prime Minister R. Hawke notified Washington that his government was ready to view positively any request, should such be received, for the creation of new American bases on Australian territory. This statement was a surprise even for members of the ruling cabinet, but it had, as it transpired, been coordinated in advance with the White House. Observers did not fail to point out that when in the ranks of the opposition R. Hawke had occupied a directly opposite position, advocating the closure of certain American military facilities on the fifth continent. Broad public circles and the left wing of the Labor Party sharply criticized the prime minister's statement. It should be noted that the functioning of the above-mentioned strong points is regulated by a bilateral agreement between Washington and Canberra and is outside of the jurisdiction of ANZUS.

Delivering a speech in Sydney on 13 November 1984 in the course of the election campaign, R. Hawke deemed it necessary to emphasize particularly the significance of partnership with the United States, which had been strengthened "thanks to a considerable increase in real terms in Australia's military spending."

For the purpose of consolidating control over these strategic facilities there has even been discussion in U.S. ruling spheres of the idea of reorganizing the tripartite ANZUS alliance (if the crisis processes within it go too far) into a bilateral Washington-Canberra "axis". It would be spearheaded not only against the young independent Pacific states but also, it has to be assumed, against an unruly New Zealand. However, even on the fifth continent itself protests are multiplying against the arms race unleashed by the Reagan administration and its adventurist and hegemonist line. Reflecting the public mood, the Australian NATIONAL TIMES wrote that calls of U.S. 7th Fleet ships at local ports are now assuming a particularly ominous tinge considering their provision with Tomahawk missiles with a nuclear warhead which has begun.

The governments of Vanuatu, Papua New Guinea and the Solomon Islands have switched on the red light in the way of American ships carrying nuclear weapons. The insistent demand was heard at the 15th session of the forum of Pacific countries in September 1984 (in Funafuti--capital of the young state of Tuvalu) for declaration of the South Pacific a nuclear-free zone. This would mean the renunciation by the countries located here of the production, storage and testing of nuclear weapons and the imposition of a ban on the burial of radioactive waste in the ocean depths. It is noteworthy that whereas New Zealand's representatives, together with other delegations, aspired to the speediest achievement of this goal, the Australian diplomats attempted to drag out a solution of the question, referring to the need for its "exhaustive" study. Nonetheless, it is expected that a draft treaty declaring the South Pacific a nuclear-free zone will be submitted at the UN General Assembly session in the fall of 1985. The participants in the forum condemned France's nuclear weapon tests on Mururoa atoll.

There is also growing interest in the countries of the region in the idea of the proclamation of Southeast Asia a zone free of nuclear weapons. Following the session of the ASEAN Permanent Committee in the Malaysian capital in September 1984, its chairman, Malaysian Foreign Minister A. Rithauddeen, declared that the participants in the session had each reached agreement in principle on declaring the region a zone free of nuclear weapons. The movement against American military bases on Philippines' territory is broadening also.

At the same time, however, U.S. imperialist circles, disregarding the cherished aspirations and will of the peoples and countries of the Pacific, are gambling on an intensification of naval, including nuclear, preparations and the deeper involvement in them of their allies and are clinging to outdated "gunboat diplomacy" in its modern version. As the processes unfolding within ANZUS show, even the United States' "long-standing and traditional" partners are not spared flagrant pressure and diktat if they make independent decisions dictated by their national interests.

As K.U. Chernenko emphasized, "despite the seemingly instructive experience of the shameful collapse of such anticommunist alliances as CENTO or SEATO, attempts are once again being made to knock together militarist axes and triangles like the Washington--Tokyo--Seoul bloc. We are against such geopolitics, against all conceivable 'spheres of interest' and 'zones of interests' and against closed military groupings everywhere and in the Pacific in particular."\*

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\* PRAVDA, 24 May 1984.

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## REASONS FOR EGYPT'S RIGHTWARD SHIFT UNDER SADAT EXAMINED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 85 (signed to press 17 Dec 84) pp 123-133

[Article by A. Georgiyev: 'Egypt's Sociopolitical Development--Problems and Trends']

[Text] A characteristic feature of the modern development of countries liberated from colonial dependence is the exacerbation of internal social processes and, as a consequence, the accelerated demarcation of class-political forces. This is caused not only by the changes in the basis and superstructure but also by outside factors connected primarily with the active policy of the imperialist states endeavoring to prevent the emergent countries' independent, progressive development. In order to tie this most numerous group of countries even more tightly to the economy, policy and military strategy of world imperialism it employs a broad range of means--from economic penetration to threats, blackmail and even direct armed intervention.

The interweaving of internal and external contradictions of social development is manifested in particular relief in the Arab East. In the 1950's-1960's this area was at the heart of the national liberation movement of the Asian and African peoples, and profound revolutionary transformations were accomplished therein. In a whole number of countries of the region the sphere of imperialist influence narrowed appreciably, the positions of the feudal class were broken up and the channels of reproduction of capitalist relations were limited. It was for this reason that the leading Arab states and their new regimes became a target of external pressure. A basic role here was assigned Israel, which with the support and protection of the United States has for more than three decades been pursuing a bellicose expansionist policy in the Near East. Israel's aggressiveness and its armed attacks on neighboring Arab states impart permanent explosiveness to the situation in this region. But such actions have another side also. They are distracting the Arab countries' attention from tackling urgent tasks of socioeconomic development on the paths of democracy and social progress and creating a nutrient medium for the resuscitation of the social forces whose class interests are linking up increasingly with the aspirations of world capitalism. It is these forces which have been the purveyors of capitulationist moods in the Arab world and a kind of fifth column on which imperialist circles of the United States and Israel rely in their vain attempts to dictate to the Arab peoples the terms of a "predatory peace".



The entire set of contradictions of an objective and subjective nature has been manifested particularly distinctly in the example of Egypt, in whose modern history since the 1952 revolution two stages--the Nasir period (1952-1970) and the rule of President Sadat (1970-1981)--are distinguished.

#### The Time of President Nasir

Egypt was the first Arab country to embark on the path of social transformations, which gradually undermined the economic foundation of the existence of the feudal lords and the bourgeoisie and contributed to the fairer distribution of social benefits among broad strata of the people. In the 1950's-1960's revolutionary Egypt was the political leader in the Arab world and the embodiment of the ideals of the national liberation movement. The outstanding politicians and statesman, Jamal Abd an-Nasir, then president of Egypt, led the country from semicolonial status to an influential state of the developing world. Even the West was forced to reckon with its international authority inasmuch as Egypt symbolized the national aspirations of all Arabs and their thirst for the assertion of independence and renunciation of attachment to imperialist blocs. The Nasir period has become a firm part of the country's history as a time of the practical implementation of the Egyptian people's long-standing ideals and hopes and their aspiration to national revival on the paths of social progress and to the building of a truly independent state.

For this reason when studying the essence of the basic directions of Egypt's sociopolitical transformation attention has been concentrated on questions connected with the recoil of the Egyptian revolution at the start of the 1970's. What were the causes of the "Egyptian metamorphosis"? What were the hidden springs of the regressive processes which became manifest with Sadat's assumption of office? And, finally, to what extent did "subjective chance" and to what extent certain regularities born of the weakness of the policy of the Naserite leadership itself, which was insufficiently consistent in combating internal reaction, operate here?<sup>1</sup>

The example of Egypt's development along the path of a socialist orientation illuminates the contradictions inherent in a whole number of national-democratic regimes where representatives of nonproletarian, more precisely, petty bourgeois strata are in power. While a resolute revolutionary and an outstanding state leader, Nasir did not, however, arrive at the socialist choice immediately. Having seized power, the young army patriots were fully resolved to do away with the age-old backwardness, which was associated primarily with feudalism, and build a strong state--the ancient ideal of Egyptian nationalism. For this reason their first step was a law on agrarian reform. The path along which to proceed further was being determined by day-to-day practice.

In the 1950's the Egyptian leaders still hoped to enlist the local bourgeoisie in cooperation with the revolutionary regime and participation in the development of the national economy, primarily of industry. However, this did not happen. The bourgeoisie, which treated the military, which stemmed from the petty bourgeoisie, with mistrust and with a certain scorn even,

insisted on "the army's return to barracks" and the transfer of power to the bourgeois parties. In turn, the revolutionary officers could not consent to cooperation with politicians of the former regime with their bourgeois-liberal platform. Apart from the spirit of purely army solidarity, this was also impeded by the fact that the parties which had existed previously had compromised themselves by the policy of class collaboration with respect to British imperialism and their incapacity for conducting a struggle against the rotten monarchy.

Instead of participation in building the national economy, local private capital, which right up to the end of the 1950's enjoyed relative freedom of action, had concentrated on the construction and buying up of real estate and engaged in speculative transactions which produced quick profits. It became clear that only the state could assume the leading role in the modernization of society. The 1961-1964 enactments of nationalization of large and medium-sized industrial enterprises, foreign trade, transport and the banking and insurance companies were an expression of this objective need. The powerful public sector in the economy was thereby considerably expanded and virtually created from scratch.

Neither did Egypt's anti-imperialist policy begin to take shape immediately. Initially the Egyptian leadership's foreign policy was not of a recognized anti-imperialist nature, but was rather a reaction to the West's hostile attitude toward the new system and its attempts by way of crude pressure to compel the as yet unconsolidated republican regime to go along with the imperialist policy of the cobbling together of a military-political bloc in the region. It is well known that it was precisely Naserite Egypt which in the mid-1950's was the strong barrier which prevented Britain and the United States converting the Baghdad Pact into a broad military-strategic alliance in the Near East. Use was made in response of the level of financial-economic pressure at a time when Egypt was experiencing the most acute need for resources for the realization of the plans of economic development. The United States, as is known, renounced its commitments pertaining to the Aswan Dam construction project and put forward humiliating terms which, according to Nasir's statement, meant "the virtual establishment of foreign control over Egypt's finances, budget and economy." In the evolved situation the young Egyptian patriots resorted on 1 July 1956 to nationalization of the General Suez Canal Company. This was followed immediately by the "triple aggression"--the armed intervention of Britain, France and Israel for the purpose of teaching Egypt a "lesson" and forcing it to submit to the imperialist diktat.

It is significant that the first enactments concerning nationalization of foreign property were adopted only 5 years after the revolution and were a direct response to the "triple aggression". Under conditions where Israel was galvanizing its expansionist policy in the region only consistent anti-imperialism could have secured for Egypt the role of generally recognized leader of the Arab world. And its leadership headed by Nasir consistently followed an anti-imperialist path. This was demanded by the national interests both of Egypt and other Arab peoples.

The Egyptian revolution proscribed all previous political parties and embarked on the building of new state-political institutions. Whatever the illusions, mistakes and confusion of the young officers and their allies typical of the petty bourgeois strata, their entire activity with respect to building of a new society and its political system was imbued with an aspiration to social justice, and the interests of the majority of the population, that is, the exploited classes of city and countryside, were made the cornerstone. It was this--social content and the problems of the state and democracy--which moved increasingly fully to the fore in the ideology and policy of the Nasir regime and, accordingly, was reflected in constitutional and legislative instruments. That the leader of the Egyptian revolution was not vouchsafed sufficient time for the adopted decisions to be converted into day-to-day practice is another matter. The strength of Nasir himself lay in his capacity for perceptively catching the logic of the struggle both within the country and internationally and adopting bold decisions at the most abrupt turning points of this struggle. By a method of trial and error Nasir reached the conclusion of the impossibility of implementing progressive plans on the paths of capitalist development. But this conclusion was not underpinned by a recognition of the need to have a genuinely scientific program of the building of the new society.

It is fitting to recall here that Nasir himself, even after the socialist choice had been made, spoke repeatedly of the basic propositions in which "Arab socialism" differs from the theory of scientific socialism.<sup>2</sup> This was reflected in the 1962 charter of national action. Its adoption was a major step forward en route to the formulation of the ideological platform of the revolutionary-democratic regime. While proclaiming a socialist choice the charter put private ownership in two categories--exploiter and "nonexploiter". It also permitted the predominance of the private sector in domestic trade and the ownership of real estate, including land tenure, with, it is true, limitations imposed by the state for the purpose of preventing "the rebirth of the large landowner class". However, whereas in the ideological plane private capital was assigned a secondary role and state ownership the primary role, in practice the private capitalist sector occupied far stronger positions.

Until 1963 private enterprise was predominant in such sectors as agriculture, the services sphere, construction and trade. According to the calculations of the Egyptian sociologist A.A. Malek, in the 1962-1963 budget the private sector accounted for 65.8 percent of national income. In agriculture its share amounted to 93.8 percent, in construction 79.1 percent and in industry 58.4 percent.<sup>3</sup> And even after the nationalization decrees (by 1963), when the state had consolidated its positions in the economy, private national capital--petty and medium-scale--continued to operate in many of its important spheres practically unchecked.

However, the danger for the cause of the revolution lay not in the mere fact of allowing the activity of national private capital (this was inevitable) but in the disruption of the proportions between the public and private sectors and the absence of effective control over this activity. The Egyptian leadership ignored the historical experience of the mutual relations of the revolutionary state and the bourgeoisie at the stage of the creation of the material prerequisites for movement in the direction of socialism.



In spite of the socialist orientation concept, which envisages use of the private sector under the leadership and in the interests of the state, in Egypt the development of the economy, even industry, was increasingly controlled by private capital. Through its minions in the public sector and the civil service it obtained the most profitable construction contracts, constantly feeding the middle and higher echelons of civil servants and thereby contributing to the formation of a "bureaucratic bourgeoisie" stratum. An important channel via which the distribution of private capitalist enterprise moved was domestic trade, 75 percent of which was in the hands of the private trader. The urban consumer and even retail tradesmen depended on the large-scale wholesalers; the commercial-agricultural bourgeoisie exploited the landless and land-hungry peasantry. Finally, capitalism developed rapidly in the services sphere, the share of which, in particular, in national income increased in 10 years (1960-1970) from 26.9 to 30.4 percent, while there was a decline in the share of the sectors connected with material production.<sup>4</sup>

Under these conditions a particular sociopolitical climate evolved wherein corruption developed and the public sector became a nutrient medium for elements parasitizing thereon and a so-called "brokerage bourgeoisie". Such phenomena also affected the upper stratum of the Egyptian officer body and the "middle strata" which had risen up the social ladder after the 1952 revolution.

The rich peasants were the class ally of the urban exploiter elements. The biggest gainer from the agrarian reform was the populous stratum of the rural bourgeoisie, which had no interest in the deepening of the revolutionary transformations, although the state itself had ensured the strengthening of this stratum. In the period 1952-1970 the state was responsible for 97 percent of all capital investments in Egypt's agriculture, but the share of the public sector itself in agricultural production was not more, according to official statistics, than 2.7 percent.<sup>5</sup>

In accordance with the 1964 constitution, three forms of ownership were proclaimed in Egypt--state, cooperative and private--with the stipulation that the latter not be employed for purposes of exploitation. However, in practice the government's agrarian policy ultimately led to the replacement of feudal production relations in agriculture by capitalist relations. This proposition as a whole is soundly illustrated by the calculations of the American scholar A. Perlmutter, according to which the benefit from the 1952 and 1961 agrarian reforms was derived by the group of well-to-do peasants owing from 10 to 100 faddan of land, that is, "the rural middle class," while merely the small category of large-scale landowners with estates of 200 feddan and more found themselves squeezed as a result of these reforms.<sup>6</sup> Finally, the middle peasants and even the feudal lord-landowners found a multitude of roundabout ways to circumvent the provisions of agrarian legislation. Many of them were able to maintain land ownership in the hands of the family clan by way of its comminution. Representatives of the rural upper stratum also penetrated the cooperatives, endeavoring to bring the latter under their control. It was not fortuitous that in 1966, over 10 years since the start of the agrarian reforms, President Nasir was forced to announce the creation of the Higher Committee for the Liquidation of Feudalism



The continuation of a private-ownership atmosphere in society, as is known, "works for capitalism" continuously. And even in the Nasir period, although the development of capitalist relations was hampered, hidden channels engendering their limited reproduction, frequently in a highly distorted form, nonetheless remained. The said processes created favorable soil nurturing counterrevolutionary trends. The purveyor of these trends was an odd conglomerate consisting of bourgeoisified elements of the upper stratum of the civil service and the army, a variety of brokers, private contractors, owners of real estate and black market dealers and also landowners of the rich-peasant type. Thus despite the intentions and wishes of the political leadership, the social base of counterrevolution--that same base on which Sadat subsequently relied in the pursuit of his antinational policy--took shape in the country.

Under the conditions of the inevitable clash of class interests as the revolution deepens the delineation of political forces is a perfectly natural phenomenon. Such are objective internal contradictions arising in the process of the renewal of multistructure societies at the stage of national-democratic revolution. Much here depends on the nature of the superstructure and, more specifically, on whether the levers of genuinely popular state power with a developed political mechanism have been created. In other words, the extent of the broad people's masses' real participation in the running of the state and whether the political channels via which this participation is ensured are sufficiently effective.

Bourgeois political pundits attempt to portray the regime at the time of Nasir as a "military-bureaucratic establishment," a "praetorian state," a "stratocracy" (power of the generals) and such.<sup>7</sup> Given such an approach, which is based, as a rule, on a mechanical computation of the number of military figures and civilians in the highest organs of state power, the essence of the predominant trends in the development of the Egyptian state in this period is glossed over and the complex intrapolitical and external conditions under which Nasir and those around him who were devoted to the cause of the revolution had to operate are ignored.

The example of Egypt confirms as clearly as can be the conclusions drawn by Academician Ye.M. Primakov concerning the objective and subjective contradictions arising at the stage of the transition of emergent countries to socialism, primarily the contradictions between the policy of the ruling groups, which generally serves the interests of the broad working people's strata, and the inadequacy of the measures to stimulate the people's masses for the purpose of implementation and defense of the measures envisaged by this policy; and between the need for the creation of a machinery of state and the trend toward the bourgeois degeneration of part of the civil service.<sup>8</sup> What is the essence of such contradictions with respect to Nasirite Egypt?

In attempting to ensure national unity from above the Egyptian leadership incorporated in the alliance of the "labor forces of the people" private (petty and medium-scale) national capital, whose representatives had "changed their skins" in order to avail themselves of the right they had acquired to participate in political activity. They were forced to recognize

the ideological concepts of the Nasir regime, having changed into the colors of its devoted supporters. Gradually bourgeois elements of the city and countryside were able to occupy influential positions in parliament and the highest spheres of the civil service and also to find "their people" in the president's very entourage.

The said stratum of political time-servers created a belt of isolation, as it were, around the leadership, impeding implementation of its revolutionary course. "The new class," the prominent Egyptian political scientist I.S. Al-Dawlah wrote, prevented a solution of the problem of democracy and frustrated the revolution's plans in two-ways--by monopolizing the adoption of decisions, which it subsequently distorted, or by directing fulfillment of these decisions into a channel corresponding to its interests. Obstacles to the people's masses' participation in the process of the formulation of decisions were thus created inasmuch as this new class became a class above the people simultaneously distancing it from the leadership."<sup>9</sup>

Another cause of the weakness of the revolutionary power, which derived from the first, was the fact that the Arab Socialist (ASU)--the nucleus of Nasirite Egypt's political system--had been created from above. It represented a cumbersome political formation heterogeneous in class composition and difficult to control and by the start of the 1970's had been converted into an appendage of the swollen civil service, which was infected with the bureaucratic ailment.<sup>10</sup> Recognizing the weakness and vulnerability of the ASU, as of the mid-1960's Nasir led matters toward the creation of a nucleus within it--the embryo of a future vanguard party.<sup>11</sup>

The fact that given the absence of the leadership's effective relations with the broad masses, the regime was based largely on the personal authority of the president, who often appealed to the people over the heads of state institutions and the ASU, also contributed to the development of trends toward the bourgeoisification of Egypt's machinery of state. All the achievements of the July revolution were connected with Nasir's "charisma". At the same time, however, a regime of strong and personified power corresponded to the country's historical traditions. However, at the contemporary revolutionary stage this trend toward the excessive centralization and personification of power held back the development of the new state-political system. Such unconstitutional bodies as the committees and consultative councils created in accordance with the president's personal instructions and, finally, the president's apparatus itself began to perform an inordinately big role. This apparatus became a kind of "state within a state". As the progressive Egyptian figure L. al-Khuli observed, "the most important positions in the edifice of the entire system were occupied by a number of figures who had acquired influence as members of the narrow circle of President Nasir's confidants."<sup>12</sup>

In speaking of the negative aspects of the experience of revolutionary development under Nasir we also need to bear in mind the hampering effect which external factors, primarily the constant military pressure on Egypt on the part of Israel and the imperialist powers supporting it headed by the United States, had on this process. The revolutionary leadership and Nasir personally were forced, particularly following the 1967 Israeli aggression,

to pay paramount attention to the armed forces, the organization of the repulse of the aggression and the struggle to remove its consequences. Under these conditions questions of domestic transformations, including a broadening of the democratic foundations of Egyptian statehood, were relegated to a secondary position.

At the same time, judging by Nasir's final speeches, he really was aware of the existing danger of a degeneration of the regime and pointed repeatedly to the threat on the part of "reactionary parties" and "counterrevolutionary elements". However, the state-political system which had taken shape under the leader of the Egyptian revolution was unable to ensure after his death the continuity of the policy of this Arab country of a socialist orientation.

#### The Post-Nasir Period: Movement Backward

Coming to power on the basis of "constitutional legality" and having picked up the powerful levers of the presidency, Sadat used them to deal with the leaders of the sociopolitical forces which intended leading Egypt along the path charted by Nasir. On 15 May 1971 they were accused of plotting against the "legitimate authority". This was how it all appeared outwardly. As far as the essence of the May events is concerned, they are characterized in circles of the progressive Egyptian public as "a real overturning of the principles of the 1952 July revolution."<sup>13</sup>

In the decade of Sadat's rule Egypt followed a path of regressive changes, and this developed into a break with the abutments of the postrevolution society. These processes were manifested most painfully in two spheres-- socioeconomic and political; of course, they affected the ideological sphere also: the departure from the Nasirite legacy, which had already been accomplished, was also given the appropriate ideological "justification".

Having initially declared himself the custodian of the gains of the 1952 July revolution, the new president gradually prepared the soil for "silent counterrevolution" and finally went as far as to announce a "holy war" against everything linked with the name of Nasir.

The fundamental principles of economic policy were revised in order to create a favorable climate for the activity of foreign capital with a weakening of the leading role of the public sector and to legalize the private-enterprise activity of the commercial-speculative, bureaucratic and other strata of the petty bourgeoisie. Thus a new economic development strategy appeared in 1974 which came to be called *infitah* or the "open doors" policy. As a result of this policy Egypt became in the last decade a society where a consumer mentality had been implanted. Such phenomena as parasitism, corruption, nepotism, a thirst for easy gain and other social ills--the inevitable attendants of the capitalist transformation of developing countries--became unprecedentedly widespread. The preferential rate of the development of trade (14 percent annually on average) compared with agriculture and industry (3 and 6 percent respectively) led to these two sectors' share of the GNP declining from 56.6 to 38.5 percent in the period 1973 through 1983. The distribution of foreign investments per sector based on "*infitakh*" legislation



is indicative here. The nonproduction spheres of the economy swallowed up 70.8 percent of foreign capital investments (finance 55.6 percent, services 15.2 percent), whereas the share of industry and agriculture constituted 18.7 and 6.8 percent respectively. The product of local industry could not withstand the competition of foreign goods, which poured into Egypt in a broad stream. Things went so far that the country found itself forced to meet up to 40 percent of its food requirements from imports, including importing 70 percent of the wheat.

Egypt's departure from the policy of a socialist orientation and the change in its foreign policy toward "special relations" with the United States were paid for generously by the West along state assistance lines and, prior to the Camp David agreements, by the Arab oil monarchies also. As a result the country's foreign debt in Sadat's years of rule increased more than a 10-fold--from \$1.7 billion in 1971 to \$20 billion in 1981. Under the conditions of the weakening of the economic role of the state and the orgy of market spontaneity the colossal foreign injections were used by the "new class" to satisfy its egotistic interests. The greater part of the resources went on the installation of luxury residences, establishments of a variety of brokerage companies and consultative offices, the development of tourism and imports of consumer goods, luxuries and so forth. The country, as the well-known Egyptian journalist M.H. Haykal put it, found itself open to all kinds of adventurers among businessmen of various nationalities. It is not fortuitous that he compares the Sadat period in the sense of financial dependence and the general plunder of the country with the time of the rule of Khedive Ismail (1863-1879), when Egypt was on the verge of bankruptcy and was run by foreigners.<sup>14</sup>

Whereas the influx of foreign capital--state and, to a far lesser extent, private--made it possible to create a showcase of bourgeois prosperity and to keep the economy afloat, the ugly consequences of the capitalization of Egyptian society in the 1970's appeared on the surface particularly manifestly in the social sphere.

Social polarization, which had been leveled to a certain extent in Nasir's time by way of a fairer distribution of the national income, again, as before the 1952 revolution, assumed tremendous proportions. Whereas in 1971 wage workers, that is, the majority of the employed population, accounted for more than half of the national income, by the start of the 1980's their share had declined to 30 percent. And this meant that the class of proprietors in the city and countryside were appropriating up to 70 percent of the national income. According to data of the official press, one-fifth of the country's population accounts for 48 percent of the national income,<sup>15</sup> including the most prosperous social strata (approximately 5 percent of the population), which account for 22 percent, while up to 5 percent remains for the poorest part of the population (20 percent).<sup>16</sup> In Cairo the discrepancies in income between different categories of the population are particularly striking: even according to official IMF data, 5 percent of the population of the Egyptian capital appropriates half of all income.<sup>17</sup> And this at a time when 33.3 percent of Egyptian families live below the country's officially accepted poverty line.<sup>18</sup>



Thus even according to the data of local sources, a perfectly definite picture of social differentiation unfolds. On the one hand a negligible minority of the parasitical bourgeoisie which has become fabulously wealthy in the past 10 years thanks to imports, brokerage transactions, contract work, the ownership of real estate and speculative deals,<sup>19</sup> on the other, the overwhelming majority of the population, including the land-hungry peasantry, workers and employees and the petty bourgeoisie.

The rapid growth of capitalism in Egypt as of the start of the 1970's proceeded along two paths. The first path was the expansion of the local private-capitalist structure, which acquired freedom of activity, particularly in foreign trade. Thus the private sector's share of the wholesale trade in food products reached 86 percent by 1976 and 97.5 percent in retail trade. In the trade in cloth and clothing local capitalists accounted for 93 percent of the annual commodity turnover and in trade in foodstuffs 97.5 percent.<sup>20</sup> The second path of the growth of a national bourgeoisie proceeded along channels connected with servicing the interests of foreign state and private capital. In the *infitak* years there was a sharp increase in Egypt in the number of middlemen, representatives of foreign companies, foreign commodity marketing agents, brokers for pushing deals through the bureaucratic machinery and so forth.

In this sense Sadat's social support may be attributed to the category not only for the parasitical but also neocomprador bourgeoisie. Furthermore, tracing an in any way precise boundary between these two factions is quite difficult in view of the close interweaving of the spheres of investment of their capital. Another typical phenomenon in the development of Egypt's capitalist relations in the mid-1970's was the formation of groupings in accordance with the clan principle. In each such clan construction and contracting companies are combined with investment, banking and insurance companies and industrial enterprises are combined with commercial-brokerage firms. Such are the groups of Egyptian capitalists, which belong, for example, to the millionaire clans of O.A. Osman, Y. Khalil, A.L. Sharif, Kh.A. Futuh and others.

Given the patronage of the authorities, the parasitical and neocomprador bourgeoisie strata fostered by Sadat's "*infitakh*" became essentially the economically predominant class.

The reorganization in the basis was accompanied by the appropriate superstructural changes. They concerned primarily the political system. The Nasirite political organization--the ASU--with its concept of the alliance of the "labor forces of the people" no longer corresponded to the interests of the representatives of the class forces which had begun to move under Sadat into the leading state positions and fettered their actions.

Under these conditions an offensive against the ASU, in which many followers of Nasir remained, developed. In a few years all its components were disbanded, and three "platforms" were created within the organization--the prototype of bourgeois pluralism: the centrists--which claimed the role of parliamentary majority, the right--the tribune of the Socialist Liberals, and

the left--the National Progressives. The experiment which had been planned was officially announced in Egypt's People's Assembly on 17 March 1976, and elections to the Egyptian Parliament were held in the summer of the same year on the basis of the "platforms" which showed the actual limits of "democratization" according to bourgeois models. Only the conformist representatives of the center acquired freedom of activity, while the opposition was practically deprived of the opportunity to conduct a political struggle.

From the platform experiment Egypt's new political system evolved in the direction of the multiparty approach. On 11 November 1976 Sadat announced the transformation of the three ASU organizations into independent political parties, and in June 1977 the law governing parties was enacted. Thus the destruction of the political system of the Nasir period was completed not only de facto but also de jure. The transition to bourgeois pluralism guided from above was constitutionally enshrined only in 1979, when the provision concerning the ASU as the "basic political organization" was removed from the Egyptian Constitution and the principle of so-called "party democracy" was inserted.

However, the artificially created three-party system could not serve as an effective instrument for the retention of power in the hands of the ruling class. The regime's new political support--the Centrist Party--proved unviable, and the creation of the National Democratic Party headed by the president himself was proclaimed on 1 August 1978. This was the regime's claim to have its own ruling party representing the class forces which constituted its support.

The singularity of the situation was the fact that the political system, which came to be called "controlled democracy," was merely an outward facade. The parties were not admitted to the state decision-making mechanism, and the real power was concentrated even more than before in the hands of the president.

The trend toward a strengthening of the powers of the head of state had been noticeable in Egypt's permanent constitution adopted back in 1971 even. In the opinion of Egyptian constitutional law scholars, this basic law differed from the Nasir constitutions in that together with an expansion of the section concerning citizens' basic rights and liberties in their bourgeois-liberal interpretation, albeit in veiled form, it strengthened presidential power even more. "The constitution of the Arab Republic of Egypt," M.Kh. 'Abd al-'Al wrote, "was the development of a general trend which had been manifested in Egyptian constitutions since 1952: they all strengthened the role of the president and unjustifiably expanded his prerogatives."<sup>21</sup> Another well-known Egyptian lawyer, (I.S. ad-Davlya), observes that "the 1971 constitution, as distinct from preceding constitutions, converted the institution of the presidency into a fourth power placed above the three traditional powers--the legislative, executive and judicial."<sup>22</sup> Egyptian constitutional lawyers pay particular attention in this connection to article 74 of the 1971 constitution, in accordance with which, in the event of a threat to national unity, the security of the state and the normal functioning of its

institutions, the president has the right to assume practically absolute, unlimited power. Their misgivings were aroused, in particular, by the fact that a broad interpretation of the said article could under certain conditions lead to the establishment in Egypt of a "regime of personal dictatorship".<sup>23</sup>

The antidemocratic essence of the Sadat regime was revealed particularly in the period 1977-1981, when in an atmosphere of the growth of the class-political struggle and foreign policy failures the president began a systematic offensive against the citizens' rights and liberties. Police persecution of the opposition forces, including those which had been legalized by the regime itself, was initiated. This period was marked by the adoption of a whole number of anticonstitutional laws and emergency measures of an administrative nature which contradicted the elementary standards even of bourgeois democracy. Individual antigovernment protests by the workers and student youth of the 1970's developed 17-20 March 1977 into a mass explosion of popular anger. In response the authorities resorted to repressive measures which became merely antedated official legislation. The presidential decree "Defense of National Unity," which has the force of law, was adopted for this purpose. Six of its 11 articles stipulated hard labor for antigovernment activity, participation in meetings with subversive intent and damage to state property, disturbance of public tranquillity, the organization of strikes and so forth.<sup>24</sup>

A new stage on the path of converting "controlled democracy" into a regime of individual power began after Sadat had signed the separate Camp David agreements, which were unanimously perceived by the patriotic forces as Egypt's desertion from the front of the Arab peoples' struggle against the expansion of Israel and the imperialist forces supporting it. And once again the regime engaged in a series of antipopular acts, attempting by an "iron fist" to impose on the people the capitulationist political course. Violating the corresponding provisions of the constitution interpreting the question of the president's prerogatives in respect of the People's Assembly, in 1979 Sadat announced the dissolution of this legislative body after 33 of its deputies failed to approve the peace treaty with Israel (they voted against, abstained or boycotted the session of parliament). The new elections, which were held in an atmosphere of the authorities' flagrant pressure on the electorate, ensured victory for candidates of the ruling party.

As the internal opposition to the separate peace with Israel was consolidated, extending to broad social strata, the policy of suppression of the citizens' democratic rights and liberties, now aimed against the entire spectrum of opposition political forces, became even more refined and harsh. The apogee of the increased persecution of dissidents was the so-called "Law on Vice," which was enacted in 1980. The wording of the law is so vague and nebulous, a National Progressive Party statement observed, that it could extend to any Egyptian citizen who for this reason or other is inconvenient to the regime. Thus in accordance with the "Law on Vice," anyone accused of undermining "the moral values of society" or of actions jeopardizing "national unity and social peace"<sup>25</sup> may be subject to persecution. The practical application of this emergency law made a fiction of the citizens' rights proclaimed by the 1971 constitution. Representatives of practically all political currents of

Egyptian society--forces of the left, the patriotic bourgeois intelligentsia, liberals of a rightwing-bourgeois persuasion and Muslim extremists--were jailed in September 1981 on the president's personal instructions. This was a real "hot fall," which developed into the dramatic events of 6 October 1981.<sup>26</sup> As Ibrahim Sa'd al-Din, Egyptian political scientist and professor at the American University in Cairo, observed, "Sadat's September decisions essentially signed his political death warrant, a month after which he died the physical death, leaving the political regime in Egypt in a crisis situation."<sup>27</sup>

#### The Grim Legacy of 'Sadatism'

Following Sadat's death, the continuity of power was provided for in accordance with accepted constitutional procedure. Hosni Mubarak was elected Egyptian president. Subsequently he also came to head the ruling National Democratic Party. Partial changes were made in the highest echelons of the machinery of state, which initially did not affect the positions of the most prominent class forces constituting the social base of Sadat's policy. At the same time certain new trends are showing through the outward cover of continuity in Egypt's sociopolitical development.

With regard for the circumstances of the removal of Sadat, whose policy had plunged Egypt into a profound political crisis, measures were implemented primarily to strengthen internal stability. It was essential to urgently "let off the steam" of public discontent by way of a certain liberalization of political life and regulation of the regime's mutual relations with the legal opposition. Such a valve was opened: political prisoners were released, contacts with legal political parties were resumed, the rigid restrictions on the activity of the opposition press were lifted and Interior Minister N. Ismail, who, as the Cairo newspaper UKTUBAR put it, had forced Egypt to fear itself, and also certain other influential advisers of the former president were dismissed. Advancing the slogan "Egypt for All" (as distinct from Sadat's "Egypt Above All"), President H. Mubarak declared that he was against "the centralization of power and the establishment of a monopoly on decision-making," but cautioned that "freedom does not mean anarchy, and democracy must not become a dictatorship of the minority."<sup>28</sup>

On the other hand, policy in respect of illegal opposition currents, primarily extremist Islamic groupings, was tightened. Following the execution of the Muslim fighters who had directly prepared and carried out the assassination of Sadat, there were mass trials of almost 500 members of the underground Al-Jihad Al-Jadid organization. As the Egyptian newspaper AL AHRAM reported, the prosecutor's office demanded the death penalty for 57 persons and for the remainder varying terms of penal servitude for being charged with activity with the intent of the forcible overthrow of the existing regime.<sup>29</sup> As far as the moderate Islamic elements who reject violence as a means of political struggle are concerned, the attitude toward them is considerably softer. Some 4,000 Islamic activists, including such prominent critics of the Sadat regime as U. Al Iilmisani, publisher of the journal Al-Da'Wah, and also shaykhs 'Abd al-Hamid Kushk and Mutawalli al-Sha'rawi, who enjoy great popularity, had been released by the end of 1982.



The Egyptian leadership's policy is also becoming more flexible in the social sphere, which is regarded as a means of easing the internal political tension. After all, it was precisely the outrageous property contrasts which ultimately created that generous soil in which the various currents of Islamic fundamentalism in Egypt grew and strengthened. For this reason adjustments have been made in the post-Sadat period of the former "open doors" policy. The role of the public sector as the "basic support" of the economy is being emphasized; the infitah policy remains, but an attempt is being made to channel foreign investments into the production sphere, and the activity of the private sector is being encouraged in this same direction.

An increase in capital investments thanks to the maximum use of intrinsic resources and a reduction in the proportion of foreign credit, a reduction in the external debt and rectification of the disproportions in the economy by way of the accelerated development of its production sectors are proclaimed the basic tasks of the new 5-year plan of Egypt's socioeconomic development for 1983-1987. Government control over imports has been increased and luxury items have come to be subjected to higher taxes for the purpose of protecting national production and limiting consumerist trends.

The speeches of President H. Mubarak and other statesmen of Egypt contain appeals for a restoration of social justice, the curbing of greedy speculators and the removal of the burdens being borne by the people. The most outrageous instances of corruption and embezzlement of public funds have begun to be publicized, and a campaign to ensure legality and the rule of law has been initiated. The trials of R. Osman, former deputy of the People's Assembly, and I. Sadat, brother of the former president, who by way of speculative deals had put together for themselves multimillion-dollar fortunes, had great public repercussions. They were charged with illegal enrichment and of damaging the economic interests of the state. These dealers' close relations with the upper stratum of the machinery of state were also revealed in the course of the trial, which, according to the foreign press, was a reason for the resignation of the three government ministers in charge of questions of the economy and finance, industry and domestic trade.

Nonetheless, at this stage, evidently, it is not a question of "de-Sadatization" as such. The political system which had taken shape in Egypt by the end of the 1970's continues to function. At the same time it is obvious that considerable adjustments are gradually being made to the mechanism of its operation and the methods of state leadership.

The post-Sadat period has been distinguished by a more flexible combination of the principles of bourgeois-liberal democracy and traditional Egyptian statehood with a strong central authority. This reflects primarily the objective requirements forcing the politically active strata of the Egyptian bourgeoisie to change the methods of exercising their authority. For this reason the main efforts of the new leadership have been aimed at removing the crisis phenomena brought about by the former policy, which compromised the regime and threatened the normal functioning of the state system as a whole. The new trends of political evolution are being manifested in a stimulation of the activity of parties and a resuscitation of such constitutional institutions as parliament,

the Consultative Council and the Supreme Court--institutions which by the end of the 1970's had virtually become a mask covering Sadat's semidespotic rule.

The present regime is endeavoring to extend its support in the "bourgeois family" and to meet half-way the social strata and groupings which earlier felt themselves to be hurt economically and assailed the antinational thrust of the previous political course born of the one-sided orientation toward the United States. The goal being set in the sociopolitical plane is that of enlisting in cooperation with the regime the considerable proportion of the Egyptian bourgeoisie which under Sadat moved toward an alliance with the radical opposition. Mention should be made in this connection of the decrees of President H. Mubarak annulling the antidemocratic laws imposed by Sadat on "Defense of National Unity and Social Peace" and "Defense of the Home Front" and authorization of the activity of the bourgeois-landowner New Wafd party, which is the successor of the old Wafd, which prior to 1952 was the well-known party of Egyptian nationalists, and also of the Al-Ummah religious party.<sup>30</sup> With regard for the demands of opposition forces, in 1983 the new electoral law introduced a system of proportional representation in the People's Assembly. At the same time, however, a strict "restrictive barrier" was established whereby for the acceptance of its candidates each party has to collect no less than 8 percent of the electorate's vote countrywide.

The elections to Egypt's People's Assembly in May 1984--the first in the post-Sadat period--differed markedly in their atmosphere from the 1979 campaign, which was conducted under the conditions of harsh persecution of the electorate and the oppression of all national-patriotic forces. Despite the fact that for various reasons the left opposition did not succeed in having its representatives accepted as deputies by the electoral path, the political appearance of the Egyptian Parliament changed appreciably.

While supporting the positive changes contributing to an improvement in the general political climate in the country the national-patriotic forces at the same time note the inconsistency of these measures and demand of the government complete renunciation of the ideology and practice of Sadatism: an emphatic revision of the "open doors" economic policy, cancellation of the state of emergency and other antidemocratic enactments of that period and a broadening of citizens' political and other liberties.

The internal changes currently taking place in Egypt are of an incomplete nature. Certain changes in the correlation of leading sociopolitical forces are being discerned and dialogue between them on topical national problems is being established.

A central place in this dialogue is occupied by questions of Egypt's foreign policy. And here, as in domestic policy, certain new features are being manifested. Cairo is beginning to pursue a more considered, balanced policy (although the grim legacy of Sadatism in this sphere is being overcome only with particular difficulty).

With the assumption of office of President H. Mubarak the emphasis in Egypt's foreign policy has been put increasingly often on the principles of nonalignment and independence in determination of the country's position on urgent problems of world development--ensuring universal peace and security, limitation of the arms race, nuclear primarily, nonuse of force in international relations and the solution of contentious questions by way of negotiation, liquidation of the centers of colonial oppression, an improvement in international economic relations and such. At the UN General Assembly 38th Session Egypt supported the majority of draft resolutions submitted by the USSR and the socialist community countries on questions of averting the military threat, the nonproliferation of nuclear weapons, a halt to and the banning of tests thereof and the banning of the development and production of new types of weapons of mass destruction.

It has to be considered that the country is greatly dependent on the United States economically and is also bound by commitments ensuing from the Camp David agreements. However, the avowedly pro-Israel thrust of Washington's Near East policy could not have failed to have influenced the mutual relations of Egypt and the United States. H. Mubarak, for example, has criticized the "strategic cooperation" of the United States and Israel, calling it an obstacle on the way to peace in the Near East. This August the Egyptian authorities declined to hold the joint Egyptian-American "Bright Star" military maneuvers. Cairo is speaking increasingly of the need to achieve an all-embracing Near East settlement.

Cairo did not consent to the signing with Israel of a bilateral document on so-called "Palestinian autonomy" and subsequently, in connection with the Israeli aggression in Lebanon, refused altogether to continue negotiations on this question. Condemning the Israeli aggression in Lebanon, the Egyptian leadership recalled its ambassador from Tel Aviv and moved to limit relations with it along interstate lines. Also indicative was Egypt's reaction to the American-Israeli understanding concerning a broadening of the "strategic alliance". Egypt voted for the UN General Assembly resolution of 19 December 1983 which contains demands that countries, including the United States, refrain from the encouragement of Israel's aggressive actions against the Arab states and an appeal to all members of the international community to review agreements of a military, economic and other nature with Israel.

All this has created an atmosphere in Egyptian-Israeli relations which the Israelis describe as "cold peace".

In the overall context of new features in Egypt's foreign policy since Sadat a gradual smoothing of its relations with the Soviet Union is observed. Mutually profitable trade relations have expanded and cultural and scientific exchanges are developing. At the request of the Egyptian side the Soviet Union consented to a resumption of the dispatch of Soviet specialists to economic facilities installed with the technical assistance of the USSR. These facilities produce 50 percent of the country's electric power, 70 percent of the steel and approximately 100 percent of the aluminum.

The Soviet Union's constructive new proposals for a Near East settlement of 29 July 1982 were perceived positively in Egypt. Egypt declared its support for the idea of convening an international conference on the Near East with the participation of all interested parties as an effective means of a cardinal and just solution of the Arab-Israeli conflict.

Present-day Egypt is faced with complex economic and political problems on whose solution the future of this biggest country of the Arab East will largely depend. The new socioeconomic development trends which have been manifested recently could, if subsequently consolidated, contribute to the search for a solution of these serious problems proceeding on paths corresponding to the national interests of the Egyptian people and their aspiration to independent development.

#### FOOTNOTES

1. For the causes of the recoil of the Egyptian revolution see K.N. Brutents, "The Emergent Countries in the 1970's," Moscow, 1979; A.M. Vasil'yev, "Egypt's Sociopolitical Evolution in the 1970's" (AZIYA I AFRIKA SEGODNYA Nos 5, 6, 1980); "Collection of Material of an All-Union Soviet Orientalists' Conference," Yerevan, 1980; A.G. Knyazev, "The Creation of a New Ruling Party in Egypt" ("The Arab Countries. History. Present Day," Moscow, 1981); A.A. Georgiyev, "The Counterrevolution in Egypt and Certain Questions of the Arab Liberation Movement" (NARODY AZII I AFRIKI No 5, 1980).
2. For more detail see Abdel Moghny Said, "Arab Socialism," London, 1972, pp 65, 76; "The Charter," Cairo, 1962, pp 57-63.
3. Anouar Abdel Malek, "Egypt: Military Society," New York, 1968, p XVIII.
4. Ibrahim Mahmoud Khasan, "Structural Changes in the Egyptian Economy (1960-1970)," Cairo, 1977, p 13 (in Arabic).
5. PROBLEMY MIRA I SOTSIALIZMA No 1, 1978, p 61.
6. See A. Perlmutter, "Egypt, the Praetorian State," New Jersey, 1974, pp 118-120.
7. A. Perlmutter, Op. cit., p 4; "Political and Social Change in Modern Egypt," London, 1968, p 370; R.H. Dekmejian, "Egypt Under Nasser," London, 1972, pp 159-171.
8. See Ye.M. Primakov, "The Orient After the Collapse of the Colonial System" Moscow, 1982, p 108.
9. I.S. Al-Dawlah, "Was Abd an-Nasir a Dictator?" Beirut, 1977, p 256 (in Arabic).
10. By 1968 the number of ASU members constituted approximately 5 million, that is, every sixth Egyptian was a member of the union, while the electorate ran to little more than 7 million.



11. See Lutfi al-Khuli, "The Sadat Political School and the Egyptian Left," Paris, 1983, p 175 (in Arabic).
12. Ibid., p 171.
13. See AL AHALI, 22 February 1984 (in Arabic).
14. See M.H. Haykal, "The Hot Fall," Beirut, 1983, p 393 (in Arabic).
15. AL AHRAM (supplement), 21 May; 23 May 1983 (in Arabic).
16. AL MUSAWWAR, 18 March 1982 (in Arabic).
17. AL AHALI, 1 December 1982.
18. AL-SIYASI, 17 January 1983 (in Arabic)
19. According to data of the Egyptian economic journal AL AHRAM AL-IKTISADI (18 April 1983), the haute and middle bourgeoisie, including its most prosperous parasitical strata, constitutes in terms of numbers no more than 0.6 percent of the gainfully employed population of Egypt.
20. I. Sayf al-Dawlah, "Parties and Problems of Democracy in Egypt," Beirut, 1979, p 150 (in Arabic).
21. M.Kh. 'Abd al-'A., "Constitutional Law," Cairo, 1975, p 225 (in Arabic).
22. I. Sayf al-Dawlah, "The Representative System and Problems of Democracy," Cairo, 1976, p 235 (in Arabic).
23. See I. Sayf al-Dawlah, "Parties and Problems of Democracy in Egypt," p 158.
24. See M.H. Haykal, Op. cit., p 227.
25. See ibid., p 260.
26. That day President Sadat was assassinated at a parade in Cairo on the eighth anniversary of the 1973 "October War". The Al-Jihad al-Jadid underground Muslim organization was officially charged with organizing this assassination.
27. AL AHRAM AL-IKTISADI, 15 February 1983.
28. AL AHRAM, 27 April 1982.
29. See AL AHRAM, 28 February 1984.
30. With the legalization of these two parties the number of parties currently operating in Egypt, besides the ruling National Democratic Party, increased to six.

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## PROBLEMS, PROSPECTS OF USSR-FRANCE ECONOMIC RELATIONS

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 85 (signed to press 17 Dec 84) pp 134-141

[Article by V. Presnyakov: "Economic Aspects of the Cooperation of the USSR and France"]

[Text] Diplomatic relations between the Soviet Union and France were established 60 years ago, on 28 October 1924. "Any rapprochement with France," V.I. Lenin said, "is exceptionally desirable for us, particularly in view of the fact that Russia's commercial interests insistently demand a rapprochement with this strongest continental power."\* The history of Soviet-French relations has, as is known, known not only periods of upturn but periods of depression also.

In the present complex international situation, when American imperialism is attempting to spread the cold war atmosphere to all walks of life, stable and mutually profitable cooperation between states with different social systems is assuming particular significance. It was the USSR and France which were at the sources of detente and the Helsinki accords, whose foundations in Soviet-French relations began to be laid in 1966, following the visit to our country of General de Gaulle, president of France.

The West European countries are now the USSR's main trading partners among the developed capitalist states. In recent years this region has accounted for more than 80 percent of the Soviet Union's commodity turnover with the capitalist world. During French President F. Mitterrand's recent visit to the Soviet Union the Soviet side emphasized particularly that bilateral cooperation helps both states solve many problems in the sphere of the economy, science and technology and exchange cultural achievements. As K.U. Chernenko, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, observed at the reception in honor of the high French guest, "we support the continuation of this cooperation in the future also and its further development."

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\* V.I. Lenin, "Complete Works," Vol 45, p 237.

## Economic Relations

The accumulated experience of cooperation testifies that French ruling circles are capable of responding flexibly to the new trend in the sphere of international economic relations. France was one of the first capitalist countries to conclude scientific-technical agreements, compensation deals and long-term cooperation programs with the Soviet Union and to grant medium- and long-term bank credit subsidized and guaranteed by the state.

"A vast system of relations has taken shape between us and France," the 26th CPSU Congress observed. "Interaction in the sphere of science, technology and culture embraces more than 300 topics and fields." In the 1970's cooperation began to develop on a large-scale and long-term basis, which introduces a certain plan conformity to bilateral relations. Agreements and contracts were concluded providing for the guaranteed provision of France with types of fuel and raw material in short supply in exchange for machinery and equipment supplies for the USSR's petroleum, gas and chemical industries. Over 120 different industrial facilities were built in the Soviet Union in the past decade with the participation of French firms.

Since 1966, which opened a new stage in Soviet-French relations, commodity turnover has increased by a factor of almost 16 and in 1983 amounted to over R4.1 billion. In the period 1980-1983 alone it constituted R15.7 billion, which was more than 70 percent greater than the trade volume between the two countries in 1975-1979. In terms of the aggregate sum total of trade with the USSR in the 1970's-1980's France overtook Britain and Italy, while in 1965 even French exports to the Soviet Union constituted merely one-fourth or one-third of the analogous indicator for Britain, the FRG and Italy. In the 1970's the USSR became a firm member of France's traditionally determined "The 10" biggest trading partners.

Business cooperation is based on a quite firm and broad treaty-legal foundation. Intergovernmental and interdepartmental agreements and long-term programs in the sphere of the economy and industry and science and technology are being implemented successfully. The agreement on economic cooperation for 1980-1985, the Long-Term Program of the Extension of Economic, Industrial and Technical Cooperation for the Period 1980-1990 and the Program for the Extension of Cooperation in the Sphere of Science and Technology for 1983-1993 together with the special sectorial agreements concluded in the past decade orient bilateral relations in the most progressive directions.

It is a question primarily of joint work on new types of energy, energy conversion and energy savings; electronics, including information and computer devices; and metallurgy, chemistry and petrochemistry and engineering, including machine-tool manufacture. Cooperation is continuing in the sphere of color television, video-sound recording and automobile and aircraft assembly and also in construction materials and light and food industry.

Cooperation in the sphere of agricultural production is being intensified markedly and French food exports have been growing in the 1980's. The Agroprom-82 French specialized exhibition, which was 3 years in preparation and which was held with great success in Moscow, contributed to this to a

considerable extent. In accordance with the decisions of the 26th CPSU Congress and the CPSU Central Committee May (1982) Plenum with respect to the speediest realization of the comprehensive Food Program and the development of the country's agrarian-industrial complex, an important place is assigned the study and practical application of the progressive experience accumulated by France. This applies primarily to such new sectors as biological industry, the industrial use of microorganisms and enzymes for increasing the production of plant-growing and animal husbandry products and so forth.

The Permanent Mixed Soviet-French ("Grand") Commission is actively assisting the cooperation. This government body examines practical questions of the fulfillment of agreements and programs and seeks additional opportunities for the expansion of relations, submitting the corresponding proposals to the governments of the two countries. Thus specific paths of cooperation were determined during the "Grand" Commission's 17th and 18th sessions (January 1983 in Paris and November 1983 in Moscow), particularly in such spheres as oil and gas production, the development of mineral deposits, modernization of railroads and an improvement in rolling stock.

An important function of the "Grand" Commission is the organization of sectorial commercial-industrial cooperation via 26 mixed groups. All interested participants (industry, science, the planning authorities and others) are represented in these groups, and they embrace practically all the main spheres of relations, including agriculture, standardization and the reciprocal exchange of economic information. Their basic task is the practical realization of joint work and bringing it to the stage of the conclusion of contracts, primarily in industry.

The Mixed Commission for Scientific-Technical and Economic Cooperation ("Small"), which is accountable to the "Grand" Commission, monitors and examines at regular sessions the course of realization of intergovernmental agreements. They concern color television, space research, agriculture, environmental protection, medicine, civil aviation and aviation industry, chemistry, transport, computer equipment and electronics and study of the oceans.

A guarantee of the progressive growth and extension of mutual relations is undoubtedly the sides' mutual interest. At the end of a visit to the Soviet Union in November 1983 (I. Gattaz), president of the National Council of French Employers, declared: "The remarkable French writer Antoine de St-Exupery once wrote that the best method of uniting people is to suggest that they build a tower together. We representatives of France's business circles are endeavoring together with our Soviet colleagues to build a firm edifice of economic cooperation. To build in concert and for the common good."

It is understandable, therefore, that (I. Gattaz), like, incidentally, the overwhelming majority of representatives of France's business world, is opposed to any sanctions and embargoes in respect of the USSR. Expressing the opinion of broad circles of the French public, Minister of External Relations C. Cheysson has observed repeatedly that his country categorically rejects any idea of economic sanctions.



## Factors of Mutual Interest

The development of cooperation with the Soviet Union is an important factor of the expansion of France's foreign economic relations. It contributes to the appearance of its products on new markets, the more so in that many French specialists (J. Bernard, [M. Lavin'], for example) believe dangerous the country's inordinate dependence (more than 60 percent of total turnover) on trade with a limited group of Western states, mainly Common Market members and the United States. This applies to French imports also. Reliable and stable relations with the USSR under the conditions of the unfavorable market of the past decade exert a stabilizing influence on the French economy. The Soviet market is for France a factor of considerable importance for the establishment of its international reputation as an exporter of machinery and equipment beyond the EEC.

The USSR continues to purchase in France raw material for light and food industry and also goods in mass demand, but the main significance, as distinct from the 1960's, is attached to supplies of batch equipment. The Soviet Union switched in the last decade from purchases of individual types of machinery and equipment to the acquisition of entire complexes. The USSR is a principal purchaser of French equipment, and the sum total of the contracts for supplies thereof in the period 1973-1983 constituted approximately Fr45 billion, which brought the USSR into first place among France's clients. Its firms participated in supplies of batch equipment, comprehensive lines and instruction manuals for such important national economic facilities as the Minsk Refrigerators Plant, the Moscow and Izhevsk Light Automobile plants, the Kama Truck Plant and the Orenburg gas-chemical complex.

Despite the increasing pressure of the U.S. Administration, French companies, relying on government support, have concluded a number of profitable new agreements with the USSR in the 1980's. Thus Creusot-Loire has signed one of the biggest deals in its history for the supply of equipment for an electrical-sheet steel production shop of the foundry in Novolipetsk; contracts are being realized for the supply of equipment for the manufacture of stationary drilling platforms. A contract (for the sum total of Fr2.7 billion) was concluded in 1982 with the Technip, Creusot-Loire and Heurtey firms for the purchase of equipment for gas cleaning and conversion at the Astrakhan Condensed Gas Complex.

For the purpose of adaptation of French technology to the singularities of Soviet production which have taken shape the agreements on equipment supplies frequently provide for the partner's participation in the development of production engineering processes and its (or another firm's) provision of consultation and other services. In particular, a contract was signed in November 1983 with the Renault group, the biggest auto manufacturer in West Europe, for the development of a plan for the expansion and retooling of the "Moskvich" Association with a prospect of the introduction of robotics and flexible readjustable lines. The set goal is the creation of a new passenger automobile whose manufacture will begin in 1986 and will by 1988-1989 have reached approximately 200,000 vehicles a year.

The French side did not permit a disruption of supplies of its equipment for the Urengoy-Uzhgorod export gas pipeline, via which, in accordance with the specified times (as of January 1984), France began to receive natural gas. Its aspiration to mutually profitable cooperation with the USSR is meeting with due understanding. Thus during the meeting with French members of parliament in Moscow (October 1982) the Soviet side observed: "We value at its worth the fact that the French Government and France's working people have firmly rebuffed the claims of outside forces to dictate their will to them on this issue."

At the opening of the latest specialized French exhibition in Moscow, "Neftegas-83," French Minister of Foreign Trade E. Cresson said: "The USSR is the world's first oil producer and will shortly be the first natural gas producer. It is the aspiration of French business circles to be the first among foreign suppliers of oil and gas equipment for the Soviet Union."

The USSR supplies to the French market considerable quantities of the most diverse types of energy carrier--from coal through enriched uranium--and a large part of the supplies is effected on the basis of long-term contracts, furthermore. This ensures a guaranteed supply to France over a long period.

Contracts for the supply of Soviet natural gas cover a 25-year period--the first from 1976 through the year 2000, and the second from 1984 through 2009. It is important to emphasize also that the first long-term gas and oil agreements were concluded in the tensest period of the energy crisis in the West, and the enriched uranium contracts at a time when American companies had announced a limitation of exports thereof to other countries, including France.

Supplies of large-scale Soviet equipment to France were effected after national firms had encountered difficulties in attempts to acquire it in other countries. This applies to the evaporation system of cooling blast furnaces at the foundry in Fos-sur-Mer and the unique metal-working press in Issoire. In the past 10 years France has been supplied with almost 160,000 Soviet automobiles, and in terms of Lada and Niva imports France is in first place in West Europe.

In the latter half of the 1970's and in the 1980's, when production stagnation and the low level of business activity caused a considerable increase in unemployment in France (the number of unemployed is over 2 million), the fulfillment of Soviet orders is exerting a pronounced stabilizing influence on the economy. According to available estimates, from 100,000 to 250,000 working people are engaged in fulfillment of these orders.\* On average 10 percent of those employed in engineering are fulfilling orders from the USSR, while in machine-tool manufacture this indicator is even higher--17 percent. The Soviet Union is in third place among importers of French machine tools.\*\*

\* N.A. Tikhonov, "The Soviet Economy: Achievements, Problems, Prospects," Moscow, 1984, p 192; L'HUMANITE, 2 December 1982.

\*\* L'HUMANITE, 8 September 1982; 6 June 1983.

It is also significant that the Soviet Union by its regular purchases of rolled metal and steel pipes (in accordance with the arrangement for 1984-1985, an increase in supplies to the USSR of products of French ferrous metallurgy is provided for) and metallurgical and machine-tool equipment is supporting precisely the sectors of industry which have found themselves in a state of chronic structural crisis and where the working people face the threat of dismissal or a reduction in wages. The significance of Soviet purchases for the preservation of jobs in metallurgy increases even more in connection with the program of the reorganization of metallurgical industry announced by the French Government (March 1984). It anticipates a further reduction in employment in this and related sectors.

Direct business relations with Soviet organizations and enterprises are maintained by over 650 French companies, including subsidiary suppliers. Very extensively represented among them are firms determining France's economic positions in the world: Renault, Pechiney-Ugine-Kuhlmann, Saint-Gobain-Pont-a-Musson, Compagnie Generale d'electricite, (BALLUREK), Technip, Elf-Erap, Gaz de France, USINOR, Thomson-CSF and Rhone-Poulenc. Many of them rely on 15-20 year and, in certain cases, even longer experience of relations with contracting parties from the USSR.

A significant part in bilateral cooperation is played by medium-sized and small French firms, which account for up to one-half of the commodity turnover. Thus, for example, approximately 500 such firms participated in the construction of the Kama Truck Plant, the gas complex in Orenburg and the wood-processing works in Ust-Ilimsk. The quite extensive nationalization of the credit-banking sphere and industry which has been carried out in France imparts, many French specialists believe, new impetus to the stable and progressive development of bilateral relations.

The banks are an important element in Soviet-French relations. Practice shows that the nature and scale of mutual economic relations depend in many instances on the successful solution of credit questions. It has to be considered here that credit belongs to the forms of economic relations on which the political factor exerts a particularly strong influence.

France was one of the first capitalist countries (and the first among EEC states) to establish, as of the 1960's, stable credit relations with the Soviet Union.\* Its credit is greater than the amount of loans obtained by the USSR in the majority of other capitalist countries. Up to the start of the 1980's the financing terms remained favorable: the credit rate was not more than an annual 7.8 percent. On the same terms the Soviet side credited a number of equipment supplies to France.

#### New Forms of Relations

As the scientific-technical revolution deepens, the traditional foreign trade approach to relations between the USSR and France is being supplemented by production cooperation. The latter possesses great opportunities for enhancing

\* See "The Materialization of Detente: Economic Aspects," Moscow, 1978, pp 45-53.

the efficiency of bilateral economic relations. It is a question of an expansion and improvement thereof, including large-scale deals on a compensation basis, industrial joint labor and scientific-technical ties with joint projects being brought to the level of practical realization.

In the sphere of economic cooperation France occupies one of the first places among the Soviet Union's Western partners. It is a pioneer of the development of cooperation on a compensation basis with the USSR. The first such agreement was concluded in 1971, and as of the present there are approximately 20 of them. According to our calculations, compensation projects signed with French firms account for one-fifth of all similar agreements concluded by the USSR with capitalist states. Chemical, gas, pulp and paper and aluminum industry, that is, sectors producing predominantly raw material products and semifinished items which enjoy stable and, on the whole, increasing demand on the French market, have been the principal targets of such cooperation.

Such contracts, concluded for sums which are unprecedentedly large for French foreign trade practice, came to be called "deals of the century" in the French press. For this reason not only Soviet foreign trade organizations and the biggest French firms (Rhône-Poulenc or Pechiney-Ugine-Kuhlmann, for example) but also the governments of the two countries (when signing the agreements on supplies to France of natural gas from West Siberia in exchange for machinery, equipment and technology purchases concluded in December 1974 and January 1982) have been signatories in a number of cases.

The fact that compensation contracts constitute over one-half of the sum total of deals for French machinery, equipment and materials supplies concluded within the framework of realization of the 10-Year Program of the Extension of Soviet-French Cooperation in the Sphere of the Economy, Industry, Science and Technology (signed in the summer of 1973) testifies to the significance of this form of cooperation. Something else is indicative also--on the basis of compensation agreements France will receive annually in the 1980's from the USSR approximately 85,000 tons of market bleached cellulose, 25,000-30,000 tons of polystyrene, 45,000 tons of aluminum and 4 billion cubic meters (and by 1986 this could increase to 12 billion cubic meters) of natural gas. Also highly significant is the fact that compensation deals, which arose from the mutual relations of Soviet foreign trade organizations with capitalist, particularly French, firms, are being employed increasingly extensively in world trade.

Industrial joint labor has big possibilities. An arrangement was arrived at between the USSR and France in 1966 to the effect that the sides would encourage the organization of industrial joint labor. This form of cooperation is gathering strength and is already producing real results. A process of the formulation of the most acceptable specific conditions and fields of cooperation making it possible to develop intrasectorial specialization is under way.



Mention may be made among the agreements being realized of joint developments of metal-cutting and wood-working machine tools with digital program control; the creation of a system of a navigation complex on the basis of a license agreement; and guillotine shears.

The work of the Mixed Soviet-French Machinery and Equipment Work Group, which was set up in 1976, is designed to contribute to an animation of interaction in the sphere of industrial joint labor and its more efficient organization. One of its main goals is assisting industrial joint labor and the conclusion of contracts, for the supply of machinery and equipment to third countries included.

A system of joint-labor relations in aviation and ship-building industry and nuclear power engineering has been taking shape in recent years. Cooperation in the sphere of color television with the Thomson-CSF firm has been developing for many years now. Possible areas of a further extension of cooperation in the joint production and marketing of products have also been coordinated with it. They include, among others, streamlined electronic components for color television.

Soviet-French cooperation in the manufacture and sale of watch industry products serves as an example of the highest type of industrial joint labor. Watch assembly has been organized in the city of Besancon on the basis of the aggregation of Soviet mechanisms and frames made in France. The result has surpassed all expectations--in the crisis period of the start of the 1980's, when the biggest West European watch manufacturers had cut back production, the mixed Soviet-French Slava firm continued to expand production, not least, moreover, thanks to exports of the product to France's neighbors.

In relations with France scientific-technical cooperation, which is, as USSR Foreign Minister A.A. Gromyko observed in February 1982, of the nature of "ramified and fruitful relations," has gone beyond the traditional exchange framework. It has risen to the level of joint activity, incorporating research into concerted problems, direct contacts with French research centers and individual firms and realization of the results of this research.

Cooperation in the exploration and use of space for peaceful purposes serves as a most indicative example of fruitful relations. The program of long-term cooperation between "Interkosmos" (USSR) and the National Space Research Center (France), which was signed in July 1975, is contributing to this to a considerable extent. As the bourgeois newspaper LE FIGARO observes, it "has served as an example of the most active cooperation between the countries in the space sphere and produced sensational results."\*

A genuine triumph not only of Soviet-French scientific-technical interaction but also of all East-West cooperation was the flight in the summer of 1982 of the first French citizen, J.-L. Chretien, on board the Soviet Salyut-7--

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\* LE FIGARO, 29 March 1984.

Soyuz-T6 orbital complex. The success of this flight opened broad prospects for the further development of contacts in progressive spheres of science and technology. The Astron-1 and Prognoz-9 satellites with jointly developed instruments on board were launched in 1983. French scientists are participating actively in preparations for the launch at the end of 1984 of Soviet interplanetary stations for studying the planet of Venus and Halley's Comet.

Under conditions where the United States is endeavoring to spread the strategic arms race to space Soviet-French cooperation in the use of space for peaceful purposes assumes an importance which it is difficult to overestimate. It testifies convincingly that there is a real alternative to an arms race in space.

#### Unresolved Problems

Trade with the Soviet Union, as with the other socialist countries, as yet occupies a relatively insignificant place in France's foreign trade (2-2.5 percent), which is somewhat less than France's share of Soviet foreign trade turnover (3-4 percent). In addition, these indicators have changed little in the 1970's-1980's. This is partly connected with the fact that exchange is effected predominantly at the level of the intersectorial and not intrasectorial division of labor. The latter form of specialization corresponds more, as practice testifies, to the unfolding principles of the international division of labor.

At the same time certain areas of intrasectorial relations may already be discerned: reciprocal supplies of semifinished items in chemical and paper industry and fertilizer production; cooperation in auto manufacture and uranium enrichment; and so forth. Furthermore, these relations are most pronounced in the sphere of long-term industrial joint labor, which as yet occupies a very modest place in bilateral trade.

Among the factors impeding the further development of trade mention must be made primarily of the transition of the EEC countries as of the mid-1970's to a uniform foreign trade policy in respect of third states. This entailed a renunciation of the conclusion of 5-year trade agreements between the USSR and France containing commodity lists and specific tasks of the expansion of commodity turnover and a transition to the signing of long-term economic cooperation agreements. Thus whereas in the period 1965-1969 an agreement on reciprocal commodity supplies operated, in the period 1970-1974 there was an agreement on commercial-economic cooperation providing for an increase in turnover, but without commodity lists, and for the periods 1975-1979 and 1980-1985 agreements on economic cooperation have been signed which do not contain specific tasks in the development of trade sphere.

The Common Market's common agricultural policy is also a definite obstacle, the French side acknowledges. Having concluded an agreement in 1982 on supplies of French agricultural products (meat, butter, grain) to the USSR for the period 1983-1985, France, in order not to violate existing EEC rules, was forced to refuse to fix the quantity of the supplies, in which it is very interested.

Customs and excise discrimination against a number of Soviet commodities connected primarily with its participation in the EEC is maintained in France. This is, of course, holding back reciprocal trade and is contrary to the most-favored-nation status accorded the Soviet Union in accordance with the treaty of 3 September 1951. The highest imposts are established for such export commodities, of importance to the USSR, as automobiles (11-12 percent), tractors (18 percent), cotton cloth (14 percent) and chemical products and essential oils (10 percent). The quantitative limitation of Soviet exports is also causing bilateral trade considerable harm.

Yet back in 1969 the French side undertook to liberalize imports of Soviet commodities throughout the effective term of the bilateral trade-economic cooperation agreement for 1970-1974. However, this undertaking has yet to be entirely fulfilled. Commodities under 22 heads, including petroleum products, washing machines, looms, tractors, radio and television receivers, picture tubes, instrumentation, electronic components, electrical and electronic appliances, bushing, gliders, toys and other commodities, of the list of Soviet exports are affected by the system of limitations which exists in France.

A certain negative influence on Soviet exports, primarily machine-engineering products, is also exerted by other nontariff restrictions (for example, quality certification and the unilateral establishment of various specifications and standards). French firms do not obtain from their banks credit when purchasing imported equipment. Finally, the dues imposed by the European Communities Commission, particularly on electric motors and alarm clocks from the USSR, also reduce the possibilities of an expansion of exports to France of these products. Such artificial barriers do not contribute to the development of reciprocal trade on a stable basis. This has been mentioned by the Soviet side repeatedly.

The problem of an increase in exports of the proportion of commodities with high added value is, as before, urgent for the Soviet Union. Whence the need to expand exports of machinery, equipment and also chemical goods. The list of Soviet machinery and equipment exports is quite short--presses, textile machines, automobiles, agricultural equipment and individual types of machine tools. The Soviet side has declared repeatedly its readiness to discuss the possibilities of supplies to France of equipment for metallurgy, construction of metros and tunnels and railroads and for rubble plants, machinery for the treatment of plastics and so forth.

The already mentioned work group for machinery and equipment trade was set up for the purpose of an increase in reciprocal trade and also the smoothing out of the "asymmetry" of exchange. In accordance with a recommendation thereof, the session of the "Small" Commission in January 1979 outlined an increase in the next few years in Soviet machine-engineering exports to the French market to 10-15 percent of the level of the corresponding French supplies to the USSR.

The imbalance in reciprocal trade remains an unsolved problem. For the first time in 15 years as of 1979 the Soviet Union has had a surplus balance in trade

with France.\* In certain years its growth slowed sharply (1970, 1977, 1981) and declined even (1982). And even now the sum total of contracts concluded annually between Soviet organizations and French firms for machinery and equipment supplies to the USSR is subject to strong fluctuations. Whereas in 1973 and 1976 the volume thereof constituted Fr4.3 billion and Fr6.8 billion respectively, in the period 1977-1979 it dropped to Fr2.5 billion annually. Then it began to increase again (Fr5.1 billion in 1980 and Fr5.3 billion in 1982), but in 1983 declined to Fr2 billion.

A basic reason for such a situation is the fact that in terms of dynamism and maneuverability on the Soviet market French firms are often inferior to their competitors, primarily from the FRG and Japan. The change in France in the terms of the extension of credit for export products also played a part of considerable importance. As a result its competitive positions have deteriorated markedly inasmuch as, for example, the FRG and Japan grant commercial credit on terms more favorable for the USSR (less than 10 percent annually compared with France's more than 12 percent).

Endeavoring to obtain new contracts in the USSR, the French side is seeking compromise ways out of the situation. Thus it advocates the most actively among capitalist countries, Common Market members particularly, a reduction in interest rates on state-subsidized bank export credit. However, the United States invariably imposes a veto.

The review and strengthening of the mechanism regulating the export of commodities and technology transfers, primarily to the socialist countries, being undertaken in France are having a negative impact on Soviet-French trade. By a decree of 29 October 1981 a technology transfer inspection committee accountable to the prime minister directly was set up. It keeps an eye on technology in the sphere of electronics and microelectronics, information science, television communications, precision engineering and so forth.

Furthermore, under pressure from the U.S. Administration the French leadership, like other West European governments, incidentally, is tightening regulation of the sale of certain types of the latest products within the COCOM framework.\*\* Thus in July 1984 it decided to tighten the restrictions on exports of computer equipment. The French side is in fact itself narrowing the possibilities of exports to the Soviet Union, although, as is known, in recent years its leaders have expressed repeatedly the wish for an expansion of Soviet purchases in France. This was dealt with, for example, during the visit to the USSR of the French minister of research and technology (December 1982), the minister of external relations (February 1983) and the minister of foreign trade (November 1983).

True, France has stated to its COCOM partners repeatedly its disagreement with commodities strengthening the economic potential of the contracting states

\* According to French statistical data, the turning point occurred in 1980.

\*\* The current COCOM prohibition lists include a quite extensive range of modern products--certain types of metal-working, chemical, petroleum, electrical, power engineering and electronic equipment, general engineering, transport facilities, precision measuring instruments and so forth.



being put in the category of prohibited "strategic commodities". COCOM, the French leadership believes, should not serve as a screen for an intended cutback in relations with the East European countries and cannot be converted into an implement of cold war and, even less, an instrument of sanctions. However, the strengthening of the Atlantic trends in present-day France's foreign policy is increasingly noticeably influencing its commercial-economic and scientific-technical reference points.

As a result France has in recent years switched to fourth-fifth place among Western suppliers to the USSR, although on the eve and at the outset of the 1970's it had occupied higher positions. The 18th session of the "Grand" Commission in November 1983 observed that an expansion of machinery and equipment supplies depends on the competitiveness of French firms' offers with respect to technical and commercial terms and also on the timely and complete fulfillment of the contracts concluded.

Largely thanks to the work of the "Grand" Commission, it was possible in 1982 and 1983 to reduce the imbalance in Soviet-French trade.\* The sides stressed their aspiration to make new efforts aimed at ensuring the further development of commodity exchange on a balanced basis.

The new forms of economic relations which have been developed since the 1970's, primarily compensation projects and industrial joint labor, are designed to solve many of the problems in the sphere of Soviet-French relations. France should not only export its products to the USSR, obtaining essential raw material and fuel in exchange, but also expand purchases of industrial goods.

The need to act jointly to overcome the difficulties arising in this specific question or the other of commercial-economic and scientific-technical relations, firmly adhering to assumed commitments, was emphasized in the course of the top-level Soviet-French negotiations (Moscow, June 1984).

So, the existing possibilities of mutually profitable commercial-economic cooperation between the USSR and France are being used far from fully. Given good will on both sides, they could rise to a higher level.\*\*

Cooperation in the sphere of the modernization and reconstruction of operating enterprises will promote an acceleration of scientific-technical progress in both countries. New opportunities are opening here for the enlistment of many medium-sized and small French firms in the accomplishment of such plans. A big contribution could be made by the establishment of various and prolonged

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\* The trade deficit in 1983 was approximately halved compared with 1982. Machinery and equipment supplies from France to the USSR increased more than 70 percent.

\*\* The USSR Academy of Sciences IMEMO, which regularly conducts Soviet-French symposia with the University of Paris I (the Sorbonne), is also contributing to the deepening of cooperation, determination of the prospects of its expansion and the quest for new forms of commercial-economic and scientific-technical relations. This work is being organized on an increasingly regular basis, furthermore (for more detail see MEMO No 2, 1980, pp 133-136; No 3, 1982, pp 133-136; No 6, 1984, pp 141-142; IZVESTIYA, 26 January 1984; and PRAVDA, 30 January 1984).

contacts with French regional chambers of commerce. In turn, the Soviet side is ready to participate actively in the retooling and reconstruction of France's enterprises.

There are also many opportunities for an extension of economic cooperation. They are opening in connection with the French Government's proclamation of a policy of the modernization and reorganization of national industry and the further development of compensation cooperation, including manufacturing industry (automatic telephone equipment, compressors, containers, trucks and passenger cars, printing equipment, household gas stoves and such).

An important task is to link scientific-technical cooperation more closely with industrial-economic cooperation and ensure the rapid introduction of the results of joint scientific-technical developments in production. In other words, it is a question of a transition to science-production cooperation. This was emphasized at the 20th (October 1983) and 21st (April 1984) sessions of the "Small" Commission. As F. Mitterrand observed during the visit to the USSR, the sides are expressing a readiness to stimulate work on the ascertainment of new projects of mutually profitable cooperation on a long-term and stable basis up to the year 2000, in the development of industrial joint labor and production engineering cooperation included.

However, commercial-economic and scientific-technical relations do not exist and develop in a vacuum. Their state and prospects depend on the political climate and mutual understanding and trust between Paris and Moscow. For this reason France's active efforts in the 1980's to consolidate relations with the NATO military organization, which it quit in 1966; open support for the military plans of the United States and NATO aimed against the USSR; France's imperialist policy on the African continent; and such do not go unnoticed in the Soviet Union. All this by no means contributes to a deepening of the Soviet-French dialogue, in the sphere of the economy included.

At the same time it is indisputable that the dynamic development of Soviet-French economic relations should exert a salutary influence on the entire complex of relations between the two countries and also contribute to wide-ranging and constructive dialogue on all the most important present-day issues corresponding to the interests of both the Soviet Union and France and the whole world. It should be remembered that much that was born and verified in the process of bilateral cooperation has come to be used in international practice. The future of the economic relations of the Soviet Union and France will depend to a considerable extent on a favorable political climate, the stability of the development of business contacts, a long-term bilateral interest in an extension thereof and an aspiration to build cooperation on a nondiscriminatory and mutually profitable basis.

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## PACIFIC YOUTH SEMINAR HELD IN NAKHODKA

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 85 (signed to press 17 Dec 84) pp 146-148

[Yu. Levin report: "Pacific Seminar in Nakhodka"]

[Text] The seventh international seminar of young researchers into problems of peace and cooperation in the Pacific was held in the Soviet Far East port of Nakhodka. The seminar has been organized since 1974 by the USSR Youth Organizations Committee in conjunction with the USSR Academy of Sciences, the Soviet Committee for the Defense of Peace, the Union of Soviet Societies of Friendship and Cultural Relations With Foreign Countries and the Soviet Committee for Solidarity With Asian and African Countries.

More than 100 representatives of national youth, trade union and other public organizations, universities and scientific research centers of 29 socialist, developed capitalist and developing countries and also the World Federation of Democratic Youth, the International Students Union, the International Democratic Lawyers Association, the Stockholm International Peace Research Institute and the Continental Latin American Students Organization took part in the measure. Papers and reports were also delivered by specialists of the older generation, among them being the well-known Bulgarian travelers and ocean explorers, the Papazovs, D. and Yu.

Three major scientific topics were discussed: "The Pacific in World Politics in the 1980's," "The Pacific in the Third Millennium: Possibilities and Problems of the Development of Resources" and "The Role of Youth and Young Scientists of Pacific Countries in the Struggle to Remove the Nuclear Threat and for Peace and the Mutual Understanding of the Peoples". In addition, there was a colloquium devoted to confidence-building measures in the Pacific region.

The papers and speeches emphasized repeatedly the important role of the Pacific region in the fate of the whole world. Almost one-half of the world's population lives here, gigantic mineral-raw material and energy resources and considerable and rapidly increasing economic potential are concentrated here and world economic relations are developing dynamically. The Pacific is acquiring ever increasing significance for international shipping and sea fishing and exerts a considerable influence on the formation of the climate of our planet and the state of man's natural environment.

However, the situation in the Asia-Pacific zone, as throughout the world, has changed for the worse in recent years through the fault of aggressive imperialist circles, primarily American.

A discursive paper on the first item on the agenda for the seminar was delivered by Doctor of Historical Sciences V. Lukin (USSR Academy of Sciences Institute of the United States and Canada). He paid the main attention to questions of military security in the region and an explanation of the peace initiatives of the Soviet Union and other socialist countries. The speaker noted, *inter alia*, that the active militarist preparation of the United States, which have been developed recently, the intensive buildup of its military presence in the Pacific, the expansion of the system of military bases and facilities, the realization of large-scale plans for the development of the navy and air force and so forth represent a particular threat.

The further enlistment of the United States' traditional allies and certain other countries of the region in American imperialism's military-strategic preparations is under way simultaneously, and calls for the formation of a new military-political alliance with the participation of the United States, Japan and South Korea and also Australia, New Zealand and the ASEAN states, which are being subjected to particularly strong pressure on the part of the United States, are being heard increasingly often. Washington aspires to turn ASEAN into an obedient tool of the Pentagon. Here, as Doctor of Historical Sciences V. Tikhomirov (USSR Academy of Sciences Institute of Oriental Studies) emphasized, pushing the idea of the formation of a "Pacific community," the Reagan administration regards it predominantly as a military-political alliance aimed against the socialist countries.

Prof S. (Yukheyli) (United States) devoted his speech to an analysis of the evolution of the U.S. Administration's approach to the formation of a "Pacific community". He noted the increasingly pronounced shift of the center of gravity of American interests from the Atlantic to the Pacific zone. Countries of this zone are the United States' biggest trading partners (it accounts for approximately one-third of the United States' foreign trade turnover). The significance of these states as a sphere of investment of American capital is growing appreciably. In terms of the growth rate of American foreign capital investments the Pacific region is more than three times ahead of the corresponding indicator for the world as a whole.

Proceeding from this, S. (Yukheyli) expressed the opinion that the proposed "Pacific community" would be of an open nature and would serve the goals of the development of the commercial-economic relations of the states incorporated therein. He advocated transformation of the "Pacific community" in the direction of the creation of a "Pacific forum of trust". It is well known, however, that Washington aspires with the help of such a "community" to enclose within a single chain the NATO and ANZUS blocs and its bilateral relations with Tokyo and Seoul, having at the same time made the ASEAN countries coparticipants in its imperialist intrigues. However, the latter are rejecting the plans being foisted on them, fearing the assignment to them of the role of raw material appendage and a kind of "industrial proving ground" of the American and Japanese monopolies.



For this reason, as Candidate of Historical Sciences V. Yakubovskiy (USSR Academy of Sciences IMEMO), rightly observed, the formation of a "Pacific community" according to the American model would only make the situation in the Pacific worse and lead to its even greater militarization. The speaker showed the negative consequences of the arms race for the developing states and for the prospects of the development and use of its gigantic resources for the good of the peoples.

Dr V. Villacourt (Philippines) devoted his paper to the problem of the rebirth and strengthening of Japan's military power. He emphasized the serious danger of this strengthening trend for the cause of peace in the Far East and throughout the Pacific. While not denying Tokyo's subordinate position within the framework of the Japanese-American "Security Treaty," the Philippines scholar noted that the buildup of the Japanese armed forces is creating the potential for a change in this role of Japan's and an exacerbation of the American-Japanese contradictions.

In V. Villacourt's estimation, the ASEAN countries view variously the policy of Japan's accelerated militarization. The ruling circles of Thailand, Singapore and Malaysia approve of this policy on the whole, while Indonesia and the Philippines are displaying restraint. As far as the opposition in these countries is concerned, it is expressing frank concern in this connection.

(Tran Trang Trong), executive of the Vietnamese Communist Party Central Committee, sharply criticized the hegemonist aspirations of American and Japanese imperialism in the Pacific and, particularly, in Southeast Asia. He analyzed in detail the mutual relations of Vietnam, Kampuchea and Laos with the ASEAN countries. The speaker advocated the speediest realization of the well-known initiatives of the three Indochina states (Vietnam, Kampuchea and Laos) aimed at converting Southeast Asia into an area of peace, cooperation and stability and the creation here and in other parts of the Pacific of zones with nuclear-free status.

Within the framework of discussion of the second topic of the seminar V.P. Chichkanov, corresponding member of the USSR Academy of Sciences and director of the USSR Academy of Sciences Far East Scientific Center (FESC) Institute of Economic Research, spoke in the part of main rapporteur. He revealed the growing significance of the Pacific region in the world economy and world economic relations and its important role in satisfying mankind's mineral-raw material, energy and food resource requirements. The speaker paid great attention to the prospects of the industrial development of the natural resources of the Soviet Far East and the Baykal-Amur Main Railroad zone and the vast opportunities for international economic cooperation opening in this connection.

The speeches of V. Usov, academic secretary of the "Marine Sciences" Committee of the Pacific Scientific Association, and Candidate of Economic Sciences Ye. Kovrigin, both representing the USSR Academy of Sciences FESC, adduced specific examples of fruitful scientific relations between Soviet Far East scientists and foreign experts. Thus Ye. Kovrigin described the successful interaction of Soviet and American economists in the writing and preparation for

simultaneous publication in the USSR and the United States (in Russian and English respectively) of a collective monograph devoted to an analysis of the current state and possibilities of the development of littoral trade and other forms of economic relations between the western United States and the Soviet Far East. Some considerations concerning the prospects of littoral trade between the USSR and the United States were shared with the participants in the seminar by the American economist E. Miller.

Considerable attention in the course of the discussion was paid to the third topic on the agenda. Its special role is determined by the fact that questions of the struggle of the youth and young scholars of the Pacific region for the removal of the nuclear threat and for peace and the mutual understanding of the peoples are closely linked with the set of problems of the 12th World Festival of Youth and Students in Moscow, which will be held in July-August 1985 and whose motto is "For Anti-Imperialist Solidarity, Peace and Friendship!"

The paper of A. Lun'kov, deputy chairman of the USSR Youth Organizations Committee and chairman of the USSR Students Council, and the speeches of the emissaries of youth organizations of the countries represented at the seminar emphasized the growing role of the youth and its organizations in the solution of the most important international-political, economic and social problems confronting the Pacific states. Young people have a vital interest in the preservation of peace and the prevention of nuclear war and warmly support the peace initiatives and efforts of the Soviet Union and other socialist countries. They urge the removal of hunger, poverty and disease, are opposed to all forms of racism, colonialism and neocolonialism and support the democratization of international economic relations.

The researchers gathered in Nakhodka unanimously supported the development of international relations in the Pacific on a nondiscriminatory and just basis and advocated that a stable, constructive and progressive nature be imparted to these relations. The Pacific, K.U. Chernenko pointed out, "belongs to all and can and must become an ocean of peace and good-neighborliness bringing closer and not separating peoples." The Pacific seminars of young scholars are making their utmost contribution to the implementation of this appeal.

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## BOOK ON ASPECTS OF GROWING WORLD INTERDEPENDENCE

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 1, Jan 85 (signed to press 17 Dec 84) pp 151-153

[V. Petrovskiy review: "Interconnection of Economics and Politics"]

[Text] The 1980's have been marked by major changes in world development with a simultaneous considerable complication of the international situation as a whole. The smoothing over of the seriousness of the structural crises which hit the capitalist countries in the past decade at the expense of an appreciable reduction in the economic growth rate, the mobilization of national resources and the creation of international mechanisms of the recovery of capitalist reproduction facilitated the accession to power in the United States and a number of other Western states of the most reactionary circles of the haute bourgeoisie, which have joined in the "crusade" against socialism announced by Washington. However, other processes also are unfolding in the world simultaneously. The struggle of the peoples against reactionary regimes is intensifying on three continents. The West's virtual incitement of the huge foreign debt of many emergent states is not removing but merely transferring to different "stories" of international economic relations the antagonistic contradictions between the so-called "North" and "South". Finally, the futility of the attempts of U.S. imperialism and its allies to upset the evolved military-strategic parity between the NATO countries and the Warsaw Pact states is becoming increasingly obvious.

Under the conditions of increased international tension and the U.S. Administration's endeavor to extend the arms race in all directions, particularly to the new areas being pioneered by mankind, particular urgency is attached to the question of the connection of world economic development with the current state of multilateral cooperation in this sphere. The monograph in question\* is devoted to this set of problems.

The work incorporates an exposition of the Marxist-Leninist concept of global problems, an evaluation of the material potential for cooperation and an analysis of the corresponding policy of the developed capitalist countries. A significant place therein is also devoted to a description of multilateral

\* Yu.M. Khil'chevskiy, A.K. Subbotin, "Mirovoye ekonomicheskoye razvitiye: rezervy sotrudnichestva" [World Economic Development: Potential for Cooperation], Moscow, Izdatel'stvo "Mysl'," 1984, p246.

cooperation, the role of the international civil service, the impact of the transnational corporations on the shaping of the West's foreign policy and the struggle of socialist diplomacy for an effective solution of global problems.

The arms race, the chief instigator and material purveyor of which is U.S. imperialism is seen as the basic threat to all of mankind. Swallowing up not only vast human but also natural resources, it is increasingly assuming a global nature. As the book emphasizes, the spread of this process to the developing countries is connected primarily with the fact that imperialism is subjecting many of them to political, military and economic pressure and threatening their sovereignty and independence (p 37). The actions of the present U.S. Administration threaten to extend the sphere of dangerous rivalry in the arms sphere even to space, turning it into a potential theater for "star wars".

The authors have concentrated particular attention on an analysis of the inversely proportional connection of the arms race with the possibilities of the solution of so-called resource global problems--food, raw material, energy and ecological and the conquest of the oceans and space. On the basis of UN data and original calculations the book draws the conclusion of an expansion of the direct and indirect use of intellectual, labor, financial and natural resources for unproductive purposes conditioned by the arms race. It is significant that the main reason for the American side's abandonment of constructive negotiations with the USSR on disarmament, including specific discussion of the Soviet Union's well-known initiatives concerning the nonextension of the arms race to space, is the lack therein of the political will to move toward real disarmament measures and, consequently, to the release of resources for development purposes.

In the analysis of the United States' foreign policy strategy, the core of which currently is the aspiration to the creation of a first-strike potential, Yu. Khil'chevskiy and A. Subbotin draw attention to the role which the West assigns R&D in the sphere of so-called "advanced technology" and the achievement of superiority in space and the oceans. The monograph convincingly reveals the futility of Washington's hopes for domination in these vitally important spheres of human activity, debunks the myth of technology transfers as a "one-way street" and provides specific examples of Western banks' borrowing of information of scientific-technical innovations from the socialist countries (pp 40-41).

The study of the dependence of the political, economic and technological aspects of the cooperation of states with different sociopolitical systems brings the authors of the book to the conclusion according to which "bilateral and multilateral scientific-technical projects serve as an important ingredient in the international conditions the need for which was emphasized in the CPSU Central Committee report to the 26th party congress" (p 49). The fruitful cooperation of all states in the name of the accomplishment of the peaceful, constructive tasks confronting all mankind remains the pivotal demand of our time.



The glance at international relations through the prism of global problems assuming a detailed comprehension of the connection of politics and economics in the modern world enables the researchers to also ascertain certain new trends in the development of state and international institutions. Thus for the first time the monograph formulates the task of a study of the structure and regularities of the evolution of imperialism's foreign policy instruments and analyzes in detail two components of these instruments--international organizations and transnational corporations. [TNC].

The examination of international organizations in the book is not confined merely to the aspect of their use as means of realizing the West's foreign policy strategy: the regularities and certain trends of the development of multilateral cooperation and the critique of bourgeois interpretations of the efficiency of international organizations which are traced in this connection are of practical interest.

A special role in the process of states' purposeful interaction is performed by the United Nations. The Soviet Union supports an increase in the UN contribution to the solution of questions of strengthening peace and international security in accordance with the goals and principles of this organization's charter.

Increasingly great relevance in an increase in the effectiveness of the UN's work is attached to the activity of the international civil service, to which a chapter of the monograph is devoted. The biased personnel policy pursued in the United Nations by Western countries, violation of the principle of the balanced geographical allocation of positions, location of the headquarters of the international organizations predominantly on the territory of developed capitalist states, the endeavor to depoliticize the activity of the United Nations' specialized bodies, bureaucratization of the staff for the purpose of creating impediments to the implementation of projects and programs "unprofitable" for the West's ruling circles--such is a far from complete list of the directions of the use of the international civil service as a means of imperialist policy examined by the authors.

If the international organizations represent an arena of the struggle and cooperation of states with different social systems, the role of the other multilateral instrument--the TNC--is unequivocal: interaction of the imperialists of different countries for the purpose of subordinating other states and peoples to their selfish interests.

Study of the positions of the monopolies in the sphere of the development of natural resources has shown that the TNC have seized and are extending control over the production, processing, transportation and distribution of food and raw material and also of energy resources to a considerable extent. The same applies to the development of promising technology and techniques pertaining to environmental protection and the conquest of space and the oceans. The analysis of the interaction of the bourgeois state and the monopolies made by the authors on the basis of a number of national and foreign studies testifies to the dialectical nature of their relations: contradictions assuming the most serious nature live alongside, first, the leading capitalist countries' delegation of certain of their foreign policy functions to the TNC and, second,

the latter's pursuit of a so-called "independent" policy, whose essence ultimately proves to be the practical embodiment of imperialism's long-term foreign policy strategy.

The pages of the book devoted to such a phenomenon as the TNC's lobbying of the Western countries' legislative and executive authorities and also international organizations (pp 181, 182, 190) are of considerable interest. Evaluating the activity of the mining companies in the lobbies of the Third UN Law of the Sea Conference and the influence of the aerospace corporations on the work of the UN Committee on Space, we cannot fail to recall V.I. Lenin's words: "A monopoly, once it has taken shape and handles billions, with absolute inevitability permeates all aspects of social life, irrespective of the political system and other 'details'."\*

The socialist countries counterpose to the aggressive expansionist policy of Western states a policy of peace and the strengthening of international security, the winding down of the arms race and the development of cooperation. A tremendous role in realization of the latter is assigned socialist diplomacy, which firmly and consistently champions general human interests when choosing ways of solving each global problem. Particular significance under the conditions of the spiraling of the arms race by the United States and its allies is attached to socialist diplomacy's efforts for the development of all-European cooperation. The work's analysis of the state of affairs in this sphere testifies to the vital importance of the process of the relaxation of international tension and the objective nature of the requirement of further positive shifts in the continent's economic and political life.

Thus the monograph of Yu. Khil'chevskiy and S. Subbotin is a topical and useful study reflecting a number of phenomena in international relations and the world economy. A further, more in-depth study of the problem raised by the authors of states' multilateral interaction, particularly the use for this purpose of a variety of foreign policy instruments, would seem expedient.

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\* V.I. Lenin, "Complete Works," Vol 27, p 355.

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